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PUMPING OIL INTO GULF LINE

Glenn Crude Started Into the Eight-inch Trunk Line for the First Time on August 15—Testing Now in Progress on Southern Divisions—Work of Pipe Laying Accomplished in Exactly Six Months—The Texas Company Has Completed Its Line to Dallas and is Laying South from that Point to Corsicana—Production of Wells in Older Portions of Glenn Field Declining Rapidly—Demand for Oil in Steel Storage—Some More Dry Holes at Morris—Secretary Garfield Meets Oil Men at Tulsa—History of the Zeke Moore Case, Involving Land in the Heart of the Glenn Pool.

SOUTHWESTERN OIL DEVELOPMENTS.

A 3000-barrel flowing well was completed August 4 in the southern extension of the Jennings (La.) field.

On August 16 a well completed in new territory south of the old field at Humble came came in flowing at the rate of 500 barrels.

Morris continues something of an enigma. No new wells have been brought in, but additional dry holes in what was thought to be proven territory have upset the calculations of operators.

Wells in the older portions of the Glenn pool are reported to be weakening to a marked degree. The Prairie Oil and Gas Company is bidding for oil in steel storage, offering to buy both oil and tanks at market prices. The Gulf pipe line from the Glenn field to Sour Lake, Texas, has been completed and oil is being run as far south as Chambers, the first station below the field. Operators look for better prices when the two 8-inch lines are running oil to Texas.

GULF PIPE LINE LAID AND NOW BEING TESTED.

TULSA, I. T., AUGUST 15.—(Special.)—Oil was pumped into the Gulf Pipe Line Company's main line from the Glenn field to Texas for the first time today. The last gap in the 8-inch line was closed on August 13 at a point a little north of Antlers, I. T., thus finally joining the north and south divisions and completing the work of pipe laying. The first joint of pipe was laid February 13 at Sour Lake, therefore the line was exactly six months in building. It has been tested for about one-half its length, and the remainder will be tested between now and September 1. The oil was started from Watkins station, at the north end of the line in the Glenn field. Two 37,500-barrel tanks have been erected at each of the intermediate stations, which, in order, are located as follows: Chambers, in the Choctaw nation, near South McAlester; Lenoir, in Lamar county, south of Red river and near Paris, Texas; Big Sandy, in Upshur county on the Sabine river, and Lufkin in Angelina county. At Sour Lake, in Hardin county, the 8-inch line makes a junction with one of the Gulf Company's two 6-inch lines leading to Port Arthur, via Lucas station, southwest of Spindletop. The Watkins station is completed and the Big Sandy station will be ready by September 1. The others will be in condition to handle oil some time in September, and it therefore appears probable that the line will be in operation to the capacity of the six stations, including Sour Lake, by the first of October or soon thereafter. The length of the line from Watkins station to Sour Lake is 415 miles. The work of laying the pipe extended over a period of 182 days, averaging two and one-third miles per day. The time consumed in actually laying pipe was considerably less than 182 days, but there were delays at various points which prevented final completion. Both a telegraph line and a telephone line will shortly be in working order, following the route of the pipe, from the Glenn field to the Gulf Company's offices in Beaumont. Construction is being pushed and within a few weeks the Gulf Company will have its own means of wire communication between Tulsa and the Gulf coast. Water is used in testing the pipe lines. By this means the breaks and leaks are located. A pressure of 800 pounds to the square inch is maintained during the tests. When all defective pipe has been replaced and loose joints tightened the oil will be pumped through to the terminus of the line. It will take 125,000 barrels of oil to fill the pipe the entire distance and make ready for actual service.

THE TEXAS COMPANY'S LINE.

The pipe line of The Texas Company from the Glenn field was completed to Dallas, a distance of 270 miles, on August 13, and it is understood that testing is now in progress on the divisions south of Stuart. Glenn crude is being pumped through the line as far as Stuart, where there are two 37,500-barrel steel tanks and an earthen reservoir, the latter for temporary use. Pipe laying crews are now working on The Texas Company's line between Dallas and Corsicana. By September 1, or very soon after that date, The Texas Company will be pumping oil into steel storage at Dallas.

MORRIS FIELD IS PUZZLING.

The Beatty well on the Cinda Wiley allotment, section 29-13-14 at Morris, came in dry. This was a great disappointment. It was generally believed that this ground was in the very heart of the pool. The location is half a mile southwest of the Steel No. 1 that has made such a fine record, and is about half way between the Hamsher or Devonian wells in 28 and the Test well in 32. Its failure is another proof that there is yet no certainty as to the lines of the Morris pool. That there is a big body of oil there no one can reasonably doubt. The theory most generally advanced now is that the Steel No. 1, the Brown No. 1, the Hamsher No. 1 and the Bass & Brady No. 1 are on a narrow neck or channel of a pool that widens out at some point farther south. Work is now in progress that will probably determine the correctness of this theory. All eyes are centered on the Bass well being drilled in section 33. It should have been in by this time, but the drillers have been trying to case off the gas so as to save it, and have met with a delay of several days. The usual gas sand was encountered at the regular depth and the indications up to date are favorable. There is much activity in the field, notwithstanding the depression caused by the failure of the Beatty well. Beatty himself will drill another test on the Cinda Wiley 80 acres in section 29. The Test Oil Company will drill two more wells on the Wright Moore allotment in section 32; the Higgins Oil and Fuel Company will drill a test in the southwest quarter of section 28; the Producers will try again in section 34; Dr. Skelton will drill in section 29; the Tulsa Fuel and Manufacturing Company will drill its No. 4 just north of its No. 1 on the Gillam tract in section 20, and the Brown Company will drill its No. 3 in section 28. Both the Brown No. 2 and the Steel No. 3 should have been in by this time, but both have crooked holes and are being delayed. The Vaughn & Co. well on the Ruthus Kelley allotment in section 8-12-14 is shut down. In the meantime the producing wells are showing much vitality. The Bass & Brady No. 1 has settled down to a regular production of about 35 barrels an hour. The entire production of the field is being taken care of by the Prairie Oil and Gas Company. This company's second 35,000-barrel steel tank will be completed August 17, and the third one has been commenced. Shipments from Morris in tank cars have been discontinued. The Prairie Company is concentrating all its efforts in the shipping line on the Glenn field.

DEALING FOR GLENN CRUDE IN STEEL TANKS.

The decline of wells in the older portions of the Glenn field continues at an increased rate. In some cases the falling off has been as much as 50 per cent within the last thirty days. The effect is plainly seen in an increased effort on the part of the pipe line companies to fortify themselves for the future. It is confidently believed that the pipe line companies will be able to take care of the entire product of the field within the next sixty days; perhaps it will be done in even less time. Much, of course, depends on how the new wells show up. In the west and northwest

portions of the field they are coming in very strong. The situation is the most interesting that has existed in the Glenn field for some time. As it becomes apparent that the limits of the field are in sight there is an increased inquiry for oil in large quantities and a number of large producers have been approached within the past few days and asked to put a price on their oil and steel tankage. One inquiry was for as much as 150,000 barrels, the bidder offering to take the oil at 41 cents and to pay the cost of the steel storage. Several deals of a most important character are now pending and will probably be concluded soon. The result of it all is a more confident feeling as to the price of oil. The whole situation may change, however, in a very short time, and there may be some surprises in store for operators.

INCREASE IN PIPE LINE RUNS.

Pipe line runs from the Mid-Continent field during the first two weeks of August showed an increase as compared with the same period in July. The Prairie Oil and Gas Company reports its runs from August 1 to 14, inclusive, as 1,415,224 barrels, or a daily average of 101,087 barrels, as compared with 1,397,075 barrels, or a daily average of 99,791 barrels during the first two weeks of July. This company's deliviees from August 1 to 14 are given as 999,645 barrels, or a daily average of 71,403 barrels, as compared with 1,018,528 barrels, or 72,752 barrels a day during the corresponding period in July. The quantity tanked by the Prairie Company from August 1 to 14 was 415,579 barrels, or an average of 29,684 barrels a day, as compared with 378,547 barrels, or 27,039 barrels a day in the same period in July. The Gulf Pipe Line Company's runs from the Glenn pool from August 1 to 14 averaged 16,000 barrels a day—a total of 224,000 barrels—which is identical with the record of this company's runs during the first two weeks of July. The Gulf Company shipped by tank car from Kiefer 3000 barrels a day or 42,000 barrels, as compared with 3800 barrels a day or 52,200 barrels in the first two weeks of July, and tanked 13,000 barrels a day or 182,000 barrels as compared with 12,200 barrels a day or 170,800 barrels in the same period in July. The Texas Company's runs this month have averaged 12,000 barrels a day, and it has shipped about 1000 barrels a day by tank car. The runs of this company during the first half of July averaged 10,000 barrels a day, and it made no tank car shipments. It is running oil through its main 8-inch line to Stuart, 80 miles south of the field, where it has both steel and earthen storage. The aggregate runs of all three pipe line companies during the first two weeks of August amounted to 129,087 barrels a day as compared with 125,791 barrels a day in the first half of July.

SECRETARY GARFIELD'S VISIT.

Secretary of the Interior James R. Garfield arrived at Tulsa on the afternoon of August 15 and remained till the following morning, when he went to Okmulgee. On the evening after his arrival he met a number of oil operators and others and had an informal conference lasting an hour or more. He opened the proceedings by a neat little speech in which he said he had come out here to see conditions as they actually exist and to do anything in his power to facilitate the legitimate development of the oil industry, the magnitude of which he fully recognized. The speech made a very good impression. He asked for expressions from those present, and short addresses were made by W. H. Millikin, Robert Galbreath, Mr. Selby and others. All this led to a very frank and pleasant interchange of views between Mr. Garfield and the oil men. Mr. Garfield met some of the operators privately the next morning before he left. He made an excellent impression on everybody who talked with him and it is believed that much good will result from his visit.

DEAL FOR GLENN PRODUCTION.

W. P. Binyon, who has been here for several weeks, is reported to have sold the Hammett & Gillespie lease of 72 1-2 acres in the east half of the northeast quarter of section 7-17-12, Glenn field, to J. M. Abbott of Seguin, Texas, and others of that state, for $165,000. A. Miller Hammett was in Houston last Monday to meet Abbott, Binyon and others interested in the deal. Mr. Abbott and his associates have organized the Abbott Company to take over nd operate the lease, which already has five producing wells that are making 3000 barrels a day. Seven and a half acres of the 80 to which it belongs is being operated by the Producers Company and is now yielding an excellent production. Only a short distance to the west is the Robert Pitman, Jr., tract of 72 1-2 acres, which is being developed by Captain Tyrrell of the Heywood Oil Company. Hammett & Gillespie had contracted for four 37,500-barrel steel tanks to cost $42,000. This contract is assumed by the purchasers. The material for one tank is already on the way and that for the other three will be here about September 1. It was given out that John H. Kirby and Senator Joe Bailey of Texas were in the deal to buy the Hammett & Gillespie lease, but Mr. Kirby has been quoted in a Houston paper to the effect that neither he nor Mr. Bailey is interested in it. He stated in the interview that the proposition was offered to him and that he refused it.

JACK CROSBIE'S GREAT LEASE.

J. E. Crosbie brought in two new wells this week on the Jacob Anderson lease, in the Glenn field, and both were good ones, starting off at 700 barrels or more. This lease consists of 100 acres, 80 in the northwest quarter of section 9 and 20 in the northeast quarter of section 8. It has now 17 completed wells, 5 of these are in section 8 and 12 are in section 9. Nos. 18 and 19 are being drilled. When they are brought in Mr. Crosbie will have completed the drilling of his lines. In all the 17 wells there has not been a dry hole or a gasser. Not one of them has started off at less than 500 barrels. No. 15 came in two weeks ago with 1200 barrels, and both 16 and 17 came in at about 700 barrels. The older wells have fallen off at the normal rate. The aggregate production of the lease is now about 6500 barrels a day, making it one of the most productive pieces of ground in the Glenn field. Mr. Crosbie commenced his development last January, and sold his first oil in February following. One of the terms of the purchase of the lease was that he should pay 40 per cent royalty to Captain C. H. Hammett, from whom he leased it. For several months Hammett's royalty has amounted to something more than $20,00 a month, while Mr. Crosbie's income has been over $1500 a day, or more than $40,000 a month. He now expects to take 1,500,000 barrels from the lease, which will net him over $300,000.

BAD EFFECTS OF THE DROUTH.

A most destructive and far-reaching drouth has prevailed the greater portion of the summer throughout the Indian Territory. Its effects are now being more severely felt in the Glenn field, where the demands for water are very great for drilling purposes, as well as for live stock. More than 3000 people live in and about the field. Most of these are at Kiefer, where they are lodged in tents and shacks of a temporary character. It is simply a big camp. Early in the development of the field a company was formed to bring water over from Polecat creek, a short distance to the north. Ordinarily this stream has an abundance of fairly good water. The company furnished an adequate supply for the field until the drouth set in, charging a uniform price of $75 per well for drilling purposes, with the use of water for domestic purposes thrown in free for those who made contracts. But Polecat creek would not stand the heavy drain, and has failed to such an extent that the water now obtained there is hardly fit for use. For two weeks there has been a distressing scarcity of water in the field, not only for drilling, but for all purposes. The water that the people of Kiefer have to drink is of the most abominable quality. Ice has been sent down from Tulsa and sold at $1 per hundred pounds, but the Tulsa ice factories are now threatened with a shutdown because of the muddy character of the water supplied from the Arkansas river. Much of the time in this terribly hot weather, the thermometer often going up to 105, the people of Kiefer have been without ice altogether. Heroic measures will have to be taken to supply the Glenn field with water, or many operators will have to shut down. The pipe line companies—the Prairie, the Gulf and The Texas—have their own pumping plants, and they have water enough for their own necessities, but it is another thing with the private operators. Some of them have already drilled water wells on their leases and have had good success. Captain Tyrrell of the Heywood Oil Company drilled a good well at the beginning of his work in section 7, and has had an abundant supply of water for his own use. The Beacon Company has also a good well of its own in section 9, and the Indiana Company found plenty of good water in the white sand at a depth of 150 feet, but some of the companies in drilling for water have found salt water, or water so strongly impregnated with magnesia that it could not be used. In such cases, of course, water will have to be secured from some outside source, or there will be a shut down. The general effect of the rainless season has been ruinous on the country at large. Corn fields have been baked as if in an oven and many farmers have cut up their corn for fodder. Nearly all vegetables have been dried up, and hardly a green thing is

left. A country usually so prolific of everything needful for the comfort of life, has been suddenly stricken a great blow, and her people and her live stock will have to be fed this winter from the outside. Old inhabitants fail to recall a disaster of like character.

HIGGINS OIL AND FUEL COMPANY BUYS CARS.

The Higgins Oil and Fuel Company is shipping about 600 barrels a day from the Heywood Oil Company's rack at Heywood on the Frisco. This oil goes to Sabine, Texas, where it is placed in steel storage. The Higgins Company has bought twenty-five steel frame tank cars from the German-American Company at Chicago. The new cars will have a capacity of 10,400 gallons and will cost about $1400 each. The Higgins Company has its own car-building plant at Beaumont, and is constantly adding to its equipment, but on account of the immediate necessity for more cars the order was given to the Chicago concern.

FRANK CHESLEY'S NEW COMPANY.

Frank Chesley, who has been associated with Robert Galbreath in some of the heaviest production in the Glenn field, has organized a new company, with W. B. Conoley of Valdosta, Ga., as general manager. Mr. Chesley takes the presidency of the company. It is called the Great Western Oil and Gas Company. The promoters have bought 400 acres of fee simple land near Henryetta and will commence development as soon as the weather gets a little cooler. It is to be a prospecting company and many leases are to be taken. The company has secured offices in the First National Bank building, and Mr. Conoley will come here from Georgia to make this his home.

NEW GLENN FIELD RAILROAD SERVICE.

The Midland Valley's new passenger service to the Glenn field goes into effect Monday, August 19, and is eagerly looked forward to by oil operators. It provides for four trains in the morning and two in the afternoon. In the meantime the Frisco appears to have abandoned the plan of building a spur from Kiefer out into the field. It is said there was a good deal of opposition to it. The Frisco already has all it can do at Kiefer without greatly increasing its trackage facilities.

THE ZEKE MOORE CASE TO DATE.

R. S. Litchfield, as trustee appointed by the court to develop part of the famous Zeke Moore farm in section 8 of the Glenn field, is bringing in some fine wells and is securing a big production, thereby demonstrating it to be a very valuable piece of property. The litigation in which the Zeke Moore farm is involved forms a case unique in the history of oil field controversies.

Zeke Moore, who now is and has been for a few years past in the United States penitentiary at Fort Leavenworth, is on the Creek roll as a citizen of the Creek nation, or a freedman, that is, a citizen not of Indian blood, but of negro extraction, a descendant of the slaves of the Creek nation. He, as such citizen, was entitled to an allotment of 160 acres of land in the Creek nation. His allotment was never selected by him nor for him until about two years ago, or less time, when he was allotted his quota of land, and that land is described as the west one-half of the northwest quarter and the southeast quarter of the northwest quarter and the southwest quarter of northeast quarter of section 8, township 17, range 12 east, in the Glenn field. Zeke selected as his homestead the southwest quarter of the northeast quarter. As a Creek freedman under the act of 1904, he had the right to sell all or any part of his surplus land, and he conveyed to his sister 40 acres of his surplus land, described as the southeast quarter of the northwest quarter of section 8. This 40 acres conveyed by him to his sister lies directly west of his homestead 40 acres. The 40 acres referred to as the 40 acres sold to his sister, by other transfers and conveyances, now rests in the name of Boudinot and Adams, who hold the fee, while the National Oil and Development Company has an oil and gas lease on this particular 40 acres, and has developed a number of wells thereon, all of which have proved to be very excellent producers.

Zeke executed an oil and gas lease on department form on his homestead to Royal S. Litchfield, and Litchfield, as lessee, has developed on the homestead 40 a number of large wells. Moore also gave to Litchfield a department lease on the tract of land commonly known in this litigation as the west 80, being the west half of the northwest quarter of section 8. He also executed what is called a commercial lease, that is, an oil and gas lease not on department form, but simply the kind of a lease taken in the states. The lessee in this commercial lease is the United States Loan and Trust Company. He also conveyed this land by warranty deed to Fred L. Sawyer, after making the department lease and the commercial lease. The commercial lease held by the United States Loan and Trust Company, by assignment, is now held by J. R. Sharp and J. W. Sloan. Later he executed a quitclaim deed to G. R. McCullough on this west 80, and McCullough gave a warranty deed to O. M. Lancaster. Some time in December 1906, or January, 1907, Fred L. Sawyer, claiming to be the owner of the west 80, brought suit against Sharp and Sloan, seeking to recover possession of the premises and claiming a title under his deed. This case was heard before Judge Sulzbacher at Sapulpa; applications were made for a receiver and injunction both before Judge Sulzbacher and Judge Lawrence, and varous orders entered in the case, appointing and discharging receiver and granting and vacating injunctions. Different times were set for the hearing of this case by Judge Sulzbacher, but complication after complication arose and the matter was never threshed out in Judge Sulzbacher's court. O. M. Lancaster, in January, 1907, brought an action in ejectment before Judge Lawrence in the court at Tulsa, seeking to recover possession of the west 80 under his deed. In April, 1907, Zeke Moore again came into the game, after executing deeds and ratification instruments to any one who asked him and would pay him for the same, in the manner of filing a suit in Judge Sulzbacher's court, seeking to recover his entire 160 acres of land from everybody who claimed to have any interest in it, setting forth that inasmuch as he had been in the penitentiary, that he did not know the value of the land or the condition of the same, and that every one who had dealt with him had defrauded him, and further setting forth the startling fact that at the time he executed all of these instruments he was under age; in fact, was a minor, and could make no valid and binding contract. On May 24, 1907, in Judge Sulzbacher's court at Sapulpa the matter was called on a hearing for a receiver, and not less than sixteen lawyers were before Judge Sulzbacher at that time, representing the various interests connected with the property. Judge Sulzbacher postponed the hearing until June 10, at Wagoner, and when he opened court on that date at that place, he again faced a regiment of lawyers. Judge Sulzbacher was ill, and after listening for some time to the harangue and counter harangue, on his own motion transferred the case then before him, which was the case of Zeke Moore and Fred L. Sawyer consolidated, to Judge Lawrence in Muskogee. Judge Lawrence set a time for hearing the case, but all parties not being ready, the matter was again postponed, and it was agreed that Zeke Moore should try the issues with the National Oil and Development Company concerning that 40 acres which the development company had drilled on. After several days of a hot and hard trial before a jury, as to whether Zeke Moore was 21 years of age or under when he executed the deed under which the National Oil and Development company claimed title, the jury, after a short deliberation, brought in a verdict that when Zeke Moore made that deed he was a minor. The branch of the case affecting Fred L. Sawyer and all the other litigants was continued until the October term of court.

At the June term of court at Tulsa the case of O. M. Lancaster, in ejectment, was tried by a jury. The fight was between Lancaster and Fred L. Sawyer, both claiming the property under deeds. After a week or more of trial, and after being out two days, the jury failed to agree and was discharged, and the case of Lancaster will have to be tried again. In October, in Muskogee, will also be fought out the main cases involving all the litigants to this suit and this [illegible]. Many very important questions have been raised and the case in every point and in every manner has been and will be fought keenly on account of the value of this land as oil producing property, it being located in the very heart of the Glenn pool. The west 80 acres being located in territory surrounded by producing property, and Litchfield claiming to have the right to operate the same under an approved oil and gas lease, and his being the only oil and gas lease approved by the Department of the Interior, and all parties agreeing that the land should be developed and operated, and agreeing that Mr. Litchfield was a proper person to operate the same, an application was made to Judge Lawrence in June, 1907, before the trial of either case, that Litchfield be appointed receiver of the property, to take charge of the same and develop the same. He was ordered to give bond in the sum of $250,000, which he gave, and he is now operating the property under order of the court.

MID-CONTINENT PIPE LINE RUNS

(August 1 to 14.)

PRAIRIE OIL AND GAS COMPANY.

First 2 weeks August—	Total.	Average.
Runs	1,415,224	101,087
Deliveries	999,645	71,403
Tanked	415,579	29,684

First 2 weeks July—	Total.	Average.
Runs	1,397,075	99,791
Deliveries	1,018,528	72,752
Tanked	378,547	27,039

Comparisons 2 weeks—	Total.	Average.
August increase runs	18,149	1,296
August decrease deliveries	18,883	1,349
August increase tanked	37,032	2,645

GULF PIPE LINE COMPANY.

(Estimated.)

First 2 weeks August—	Total.	Average.
Runs	224,000	16,000
Deliveries (tank cars)	42,000	3,000
Tanked	182,000	13,000

First 2 weeks July—	Total.	Average.
Runs	224,000	16,000
Deliveries (tank cars)	53,200	3,800
Tanked	170,800	12,200

Comparisons 2 weeks—	Total.	Average.
August decrease deliveries	11,200	800
August increase tanked	11,200	800

THE TEXAS COMPANY.

(Estimated.)

First 2 weeks August—	Total.	Average.
Runs	168,000	12,000
Deliveries (tank cars)	14,000	1,000
Tanked	154,000	11,000

First 2 weeks July—	Total.	Average.
Runs	140,000	10,000
Deliveries	.....	.....
Tanked	140,000	10,000

Comparisons 2 weeks—	Total.	Average.
August increase runs	28,000	2,000
August increase deliveries	14,000	1,000
August increase tanked	28,000	2,000

GLENN FIELD NOTES.

George W. Armstrong of Fort Worth has closed a deal for the east half of the southeast quarter of section 19-17-12. The seller was the Juanita Oil Company, in which Robert Jordan, another Texan, had and interest. The ground is directly west of the well just south of Kiefer and on the east side of the Frisco track, brought in some time ago by the Hazel Oil Company. The fact that the Hazel well is such a good one encouraged Mr. Armstrong to go a little farther west than the Glenn field until recently was supposed to extend. He will at once commence the development of the property.

The failure of gas in many portions of the Glenn field is a feature of the situation. Gas wells are coming to be much in demand. On the Hogan lease the gas has so completely failed that oil is being burned under the boilers. Other operators will have to make the same change in a short time. The weakness of the gas pressure is especially noticeable in the western part of the field, where it has been necessary to install pumps at new wells.

Section 6 has been proven by the bringing in of several wells recently. Shulthis & Berry have completed a 300-barrel producer in the southwest quarter of the northwest quarter of section 6, and the Lafayette Development Company has completed one in the southeast quarter of this section. The Heywood Oil Company, operating as the Inland Oil Company, is now drilling in its No. 1 on the Charles Augustus Hengst 40 acres composing the southeast quarter of the southwest quarter of section 6. This well showed for 500 barrels, but is being drilled deeper.

The Benson well on the east side of section 12-17-11, immediately west of the Heywood Company's lease in section 7, has at last been completed and is making 500 barrels. This is better than was generally expected. The drill was stopped when it had gone into the sand 40 feet. The well is flowing and is one of the best in the northwest portion of the field. It opens up a lot of new territory and proves all of the ground in section 7. It has also caused renewed activity in inquiries for leases in that direction. Much of the land there is held by minors and the leases will be put up at auction. There are at least 16 of these minor tracts in this particular territory.

The Gulf pipe line has been tested as far south as Chambers, 70 miles from the Glenn field, and only two leaks were discovered. Both these were from fractures in the pipe which occurred in the making. The faulty sections have been replaced and oil is being pumped as far as Chambers. Water tests are now under way in the Texas divisions.

The hot weather has driven many of the prominent operators to northern resorts and it looks lonesome in the hotel corridors when evening comes. The absentees will begin to return in September and great activity is looked for this fall. A tremendous amount of land is under lease and there is going to be a great deal of wildcatting.

They are making slow progress in the Wewoka field. The Seminole Hardware Company's well, after going down 900 feet, has a fishing job, and the Chupco Company is in the same kind of trouble after having reached a depth of 300 feet, which it took thirty days to drill.

Independence, Kan., has a very fortunate bunch of operators in the Glenn field. Among these are A. W. Compton, Andrew Benson, Jesse L. Gillespie, Frank Gillespie, Fred Sawyer, A. W. Shulthis and Royal S. Litchfield. There is not one of these men who does not stand to clean up $100,000 and some of them much more. The remarkable development of the northwest portion of the field is what has enriched most of them.

J. R. R.

SHIPPERS CASE DECIDED IN C. D. HILL'S FAVOR.

C. D. Hill has won a substantial victory in the District Court at Lake Charles, La., in the litigation resulting from the purchase of the Shippers Oil Company's note for $9600 by Harry D. Smith, Jr., and John M. Caffery from the Gulf National Bank of Beaumont. Mr. Hill is president of the Shippers Company, which has valuable holdings in the Jennings oil field from which it is deriving a good production. The stock of the company was given as security for the original loan from the Gulf National Bank. It was attached to a demand note. Mr. Hill claims that the sale to Smith and Caffery was made without notice and at a time when he had every reason to believe that the bank was satisfied with the collateral. Smith and Caffery took the position that the purchase of the note gave them title to the stock. This the district court at Lake Charles refused to admit, and ruled in substance that on payment of the amount of the note, with interest, the stock should be returned to Mr. Hill. On several occasions Mr. Hill has tendered the amount due on the note to the holders thereof, but they have refused to accept it. The company has assets considerably in excess of the face value of the note and is making money. The case has been appealed. J. S. Wheless of Beaumont represented Mr. Hill in the hearing at Lake Charles.

Captain W. C. Tyrrell has returned from Tulsa. He went to Jennings on August 14.

THE CRUDE PETROLEUM MARKET

Quotations on Credit Balances as Posted by the Pipe Lines.

SOUTHEAST TEXAS AND LOUISIANA.

Sun Company.

	Mch. 1.	Apl. 1.	May 7.	July 1.	July 31.
Spindletop	83	85	88	90	93
Sour Lake, 20 and up	81	83	86	88	91
Sour Lake, 18 and up	79	81	86	88	91
Sour Lake, 17 to 18	78	80	86	88	91
Batson, 20 and up	81	83	86	88	91
Batson, 17 to 20	78	80	83	85	88
Saratoga, 20 and up	80	83	86	88	91
Humble, heavy	83	85	90	92	94
Dayton, below 20	73	75	78	80	85

J. M. Guffey Petroleum Company.

	Feb. 26.	Mch. 12.	Apl. 13.	May 16.	July 2.
Sour Lake, light	76	79	82	86	92
Sour Lake, heavy	76	79	82	86	92
Saratoga	72	75	82	86	92
Batson, light	72	75	82	86	92
Batson, heavy	72	75	82	86	92
Humble	74	77	82	90	95
Spindletop	78	80	85	88	92

The Texas Company.

	Mch. 11.	Apl. 12.	Jun. 5.	July 1.	Aug. 16.
Sour Lake	79	82	85	88	90
Saratoga	75	78	81	84	86
Humble	77	80	83	86	88
Jennings	72	75	78	83	85
Shreveport	72	75	78	83	85

Above prices do not include loading, storage or other charges on oil shipped by tank car.

NORTH TEXAS.

Corsicana, light	$1.02
Corsicana, heavy	.70
Henrietta, Texas	.95

KANSAS AND TERRITORIES.

Prairie Oil and Gas Company.

	Feb. 11.	Mch. 9.
32 gravity and over	$0.40	$0.41
32 to 31½ gravity	.37	.38
31½ to 31 gravity	.34	.35
31 to 30½ gravity	.31	.32
30½ to 30 gravity	.28	.29
Heavy or fuel oil	.27	.28

EASTERN STATES.

Seep Purchasing Agency.

	Feb. 11.	—March— 9.	13.
Pennsylvania	$1.63	$1.68	$1.78
Second sand	1.63	1.68	1.78
Tiona oil	1.73	1.78	1.78
Amber oil	1.73	1.78	1.78
Corning	1.12	1.14	1.14
Newcastle	1.37	1.39	1.39
Cabell	1.20	1.22	1.22
Butler, Ohio	1.78	1.78	1.78
North Lima	.92	.94	.94
South Lima	.87	.89	.89
Indiana	.87	.89	.89
Casey, Ill.	.66	.68	.68
Princeton, Ind.	.66	.68	.68
Somerset	.87	.89	*1.20
Ragland	.60	.62	.62

*Advanced March 29.

CANADA.

Seep Purchasing Agency.

Petrolia	$1.34
Government bounty	.525
Total	$1.865

Note.—Oil Springs is 7c higher.

SUMMARY OF GULF COAST FIELDS

(August 1 to 15.)

Jennings furnishes the principal item of interest in field developments in the Gulf Coast region this month. In July the Producers Oil Company brought in its No. 10 well, located on the Houssierre-Latreille 160-acre lease, south of the Latreille 40 acres and a quarter of a mile from what has heretofore been the southern limit of the proven field. This well produced about 1500 barrels at the start and is now doing about 1200 barrels with the aid of compressed air. On August 4 the Producers No. 13, located 100 feet south of the No. 10, came in and was blown with air. It looked to be about the same sized well as No. 10 at first, but soon upset all calculations by starting to flow naturally, developing a production in excess of 3000 barrels a day. After fourteen days it has settled down to 2600 barrels. East of No. 10 about 100 feet the Producers No. 12 has been brought in and is making 400 barrels with air. The Producers Company is drilling Nos. 11, 14 and 15 on the Houssiere-Latreille tract, all of these locations being within 200 feet of the No. 10. The new development being near the middle of the 200 acres which is under lease to the Producers Oil Company, it is impossible for others to get land close in, but there is much activity in the taking of leases on the south, and one lease has been made on a five-acre tract abutting the eastern line of the Houssiere-Latreille 160 acres. The Jennings-Heywood Syndicate owns the land on the west and is drilling a well on its east line about 1000 feet due west of the Producers wells. About 1300 feet due south of the Producers wells, on lot 4 of the King tract, Duson & Lyons are drilling a well, and 800 feet east of them, on lot 9, the J. M. Guffey Petroleum Company, W. H. Lovegrove and the St. Tammany Oil Company have a derrick up and are moving in machinery for a test. Randall Silverman and others of Beaumont have made arrangements to drill on the five-acre tract about 1800 feet due east of the Producers wells. These tests probably will determine the extent of the sand which the Producers Company developed in its Nos. 10, 12 and 13. A well drilled three years ago by the Crowley Oil and Mineral Company, over 1200 feet east of the field, flowed oil for two days and then went to water. The sand in this well was found below 2400 feet. The sand in the northern part of the Latreille 40 acres and in the Arnaudet tract is found at a depth of from 1850 to 2050 feet, and there is a shallower formation at 1400 feet which has been developed in some of the wells. The outlook at Jennings is distinctly encouraging.

DEVELOPMENTS IN SOUTHEAST TEXAS FIELDS.

The southern extension of the Humble field is also claiming attention as a result of recent developments. On August 16 the Esperson No. 3 on the Hermann tract, 200 feet east of Producers No. 45 on the Rogers farm, came in flowing at the rate of 500 barrels, and the next day settled down to 400 barrels. This well is between 1600 and 1700 feet deep. The sand in this territory, which is a mile south of the old field, was developed last month in the Producers No. 45, which came in at 200 barrels. The Producers Company is drilling three wells near its No. 45, and others are drilling south of it.

At Saratoga on August 3 the Rio Bravo Oil Company brought in its No. 242, which started off at 400 barrels and is now flowing 225 barrels. The Texas Company completed its No. 94 at Sour Lake for 500 barrels. There were no other completions in Southeast Texas out of the ordinary.

WELL OPERATIONS.

Thirty-four wells were completed in the Gulf Coast region in the first two weeks of August, 24 being producers with an initial production of 5515 barrels, 9 being dry and 1, at Caddo, a gasser. This record, as compared with that for the corresponding period in July, shows a decrease of 4 completions, a decrease of 6 producers, an increase of 2 dry holes and an increase of 2495 barrels of new production. Jennings was responsible for the increase in production, two completions in that district furnishing 3600 barrels of the total 5515 barrels new production credited to the Gulf Coast region.

On August 15 there were 119 wells drilling and 28 rigs up in the Gulf Coast districts, as compared with 115 wells drilling and 35 rigs on July 31.

DAILY PRODUCTION.

The new wells at Jennings swelled the production of that district to 14,450 barrels on August 15, an increase of 2550 barrels as compared with July 15, and 1195 barrels compared with July 31. Sour Lake also shows an increase, being credited on August 15 with 8700 barrels as compared with 8350 barrels on July 15. The gross output of the Southeast Texas districts on August 15 was put at 34,510 barrels as compared with 33,755 barrels on July 15, and of the Louisiana districts at 14,780 barrels as compared with 12,090 barrels on July 15. The output of the entire Gulf Coast region was estimated at 49,290 barrels on August 15 as compared with 45,845 barrels on July 15, an increase of 3445 barrels.

THE CRUDE OIL MARKET.

The Texas Company on August 16 advanced its credit balance prices 2 cents, making its quotations 90 cents for Sour Lake, 88 cents for Humble, 86 cents for Saratoga and 85 cents for Jennings and Caddo. The market in the Southeast Texas districts remains practically unchanged. At Jennings a tendency towards weakness has developed recently in the market for oil on cars. This is due in part to the fact that Louisiana consumers are pretty well stocked up and are not buying very freely. Local demands have kept the Jennings market at a level higher than Texas prices. With the falling off of the local trade, sellers are compelled to look to Texas to some extent for their market. As the freight rate from Jennings to Texas points is 4.65 cents a barrel in excess of the rate to Texas points from the Southeast Texas fields, the natural inclination of the Jennings market is to find a level

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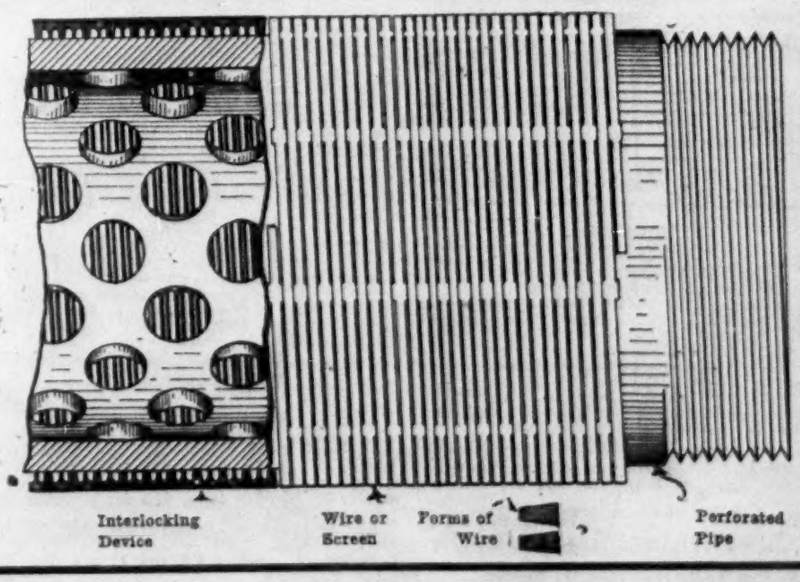

which will permit competition with Southeast Texas crude. Very little Jennings oil has come into Texas recently, as compared with the percentage of total shipments from Jennings which formerly came to Texas. With production on the increase at Jennings, it looks now as if the Texas market will be relied upon to absorb considerable of it, and this will result in an adjustment of prices to overcome the difference in freight. Sales of 20,000 to 50,000 barrel lots of Jennings oil have been reported this month at $1.03 to $1.05 on cars.

GULF COAST PRODUCTION.

SOUTHEAST TEXAS.

	July 15.	July 31.	Aug. 15.
Saratoga	6,100	5,376	5,850
Batson	7,790	7,250	7,320
Humble	6,850	7,825	7,620
Sour Lake	8,350	8,055	8,700
Spindletop	4,100	4,500	4,520
Dayton	565	400	500
Totals	33,755	33,406	34,510

LOUISIANA DISTRICTS.

	July 15.	July 31.	Aug. 15.
Jennings	11,900	13,255	14,450
Caddo	130	400	270
Welsh	60	60	60
Totals	12,090	13,715	14,780

GULF COAST REGION.

	July 15.	July 31.	Aug. 15.
Southeast Texas	33,755	33,406	34,510
Louisiana	12,090	13,715	14,780
Totals	45,845	47,121	49,290

GULF COAST WELL SUMMARY.

WELLS COMPLETED.

District—	Com.	Pdc.	Dry.	Abd.	Pdn.
Saratoga	2	2	0	0	300
Batson	11	7	4	4	235
Humble	9	5	4	4	395
Spindletop	4	3	1	1	320
Dayton	0	0	0	0	0
Sour Lake	5	5	0	0	665
Jennings	2	2	0	1	3600
Caddo	1	0	*1	1	0
Totals	34	24	10	11	5515
First half July	38	30	8	15	3020
Difference	4	6	2	4	2495

*Gasser.

WELLS DRILLING AND RIGS.

	Drilling.		Rigs		Total.
District—	July 31.	Aug. 15.	July 31.	Aug. 15.	Aug. 15.
Saratoga	4	5	3	2	7
Batson	15	11	4	3	14
Humble	59	60	13	14	74
Spindletop	9	9	5	3	12
Dayton	7	7	1	1	8
Sour Lake	7	11	6	1	12
Jennings	6	8	3	4	12
Caddo	7	7	0	0	7
Welsh	1	1	0	0	1
Totals	115	119	35	28	147
Total July 31					150

HUMBLE.

COMPLETED.

Rockybilt 2, Moore; 60 bbls.
J. E. Webb 2, Cherry; 35 bbls.
Granberry & Smith 19, Hermann; 30 bbls.
Feistheimer 1, Beatty-Cheek; 250 bbls.
G. V. Kane 2, Eckols; 20 bbls.
Sun 23, Weed; gasser.
Sun 26, Moore; gasser.
Hank O'Neil 7, Eckols; lost hole, aban'd.
Hank O'Neil 8, Eckols; blow out, aban'd.
Completed 9, producing 5, gassers 2, abandoned 2. New production 395 bbls.

DRILLING.

Kirk Hamil 1, Patterson, 1220 ft; cable.
Kirk Hamil 3, Patterson, 800 ft; setting strainer.
Cheek & Orr 1, Cheek 1-8 acres, 1200 ft; cable.
Decker & Paddock 1, Moore, 900 ft; shut down.
Fondren 1, Barrett, 1130 ft; bailing.
Farish 2, Hargraves, 1220 ft.
Tomlinson & Soden 1, Weed, 1100 ft; testing.
McKallip & Fondren 1, Rogers, 1550 ft; blowout.
Guffey 1, Barrett of the Strange, 1600 ft.
Guffey 2, Barret of the Strange, 1460 ft.
Cheek and others 1, Eckols, 1260 ft; fishing for tools.
Hermann & Co. 2, Hermann, 1260 ft; testing.
Hermann & Co. 1, Hermann; gas well.
Starlight 4, Holmes; shut down.
Starlight 5, Holmes; shut down.
Ninety-Nine 23, Latham; 1800 ft.
Dean & O'Laughlin 1, Holmes; shut down.
Dean & O'Laughlin 2, Holmes; shut down.
Sun 20, Moore; 1100 ft.
Sun 21, Moore; shut down.
Sun 24, Bailey; 1120 ft; lost tools, fishing.
Sun 23, Weed; gas well.
Sun 9, Gaffney, 1100 ft; shut down.
Sun [illegible] Isaacs, 1235 ft; fishing.
Sun [illegible], Moore, 750 ft; gas well.
Granbury-Smith 15, Hermann; shut down.
Ward & Donoghue 1, Long, 1150 ft; shut down.
Underwood 1, Hargraves, 1230 ft; testing.
Devore 4, Hermann; shut down.
Try Again 2, Patterson 8 acres, 920 ft; testing.
Lane & Bowler 1, DeMerritt, 800 ft.
West 1, Isaacs; shut down.
West 2, Isaacs; shut down.
Fondren 9, Weed; shut down.
Beatty 21, Eckols; shut down.
Beatty 22, Eckols; shut down.
Cleveland 1, Dannenbaum, 920 ft; testing.
Donoghue & Hornbeck 1, Donlin, 950 ft; rock.
Flynn & Hamil 1, Patterson, 920 ft; testing.
Rockybilt 2, Moore, 500 ft.
Eagle Eye 1, Isaacs, 1159 ft; shut down.
Decker & Paddock 1, Adams, 1100 ft; shut down.
Esperson 1, Long; shut down.
Esperson 2, Long; shut down.
Esperson 3, Hermann, 1660 ft; washing out.
Eckols 5, Eckols; shut down.
Rucker & Hale 3, Charpiot, 1175 ft; shut down.
Harper 1, Wren, 1260 ft; shut down.
Harper 13, Wren, 1128 ft; shut down.
Burt-McGaffey 5, Stevens, 2300 ft; shut down.
Moonshine-Producers 10, Long, 1105 ft; shut down.
Hermann 22, Hermann, 1200 ft.
Producers 46, Bering-Cortes, 1044 ft; cable.
Producers 47, Landslide, 1787 ft; shut down.
Producers 48, Rodgers, 1060 ft.
Producers 49, Rodgers, 1680 ft.
Producers 50, Rodgers, 1840 ft; shut down.
Producers 44, Harbraves, 1050 ft; shut down.
Producers 52, Rodgers, 985 ft; twisted off.
Producers 54, Conway, 900 ft.
Drilling, 60.

RIGS.

Producers 53, Brockman.
Middletown 3, Hirsch; old derrick.
Fondren 2, Hoge; old derrick.
Woods & Meadows 2, Moore; old derrick.
Sun 22, Moore; old derrick.
Eckols 6, Eckols; old derrick.
Sun 27, Weed; new derrick and machinery.
Beatty 26, Eckols; old derrick.
Moonshine-Producers 39, Fant & Freund; old derrick.
Producers 51, Rodgers; old derrick.
Producers 55, Rodgers; new derrick.
Producers 56, Landslide; new derrick.
Hermann 23, Hermann; new derrick.
Hermann 24, Hermann; new derrick.
Rigs, 14.

ABANDONED.

Hank O'Neil 7, formerly Eckols 7, Eckols.
Hank O'Neil 8, formerly Eckols 8, Eckols.
Note.—Kirk Hammil 1, Patterson, reported incorrectly in issue of August 5 as on the Charpiot. Hank O'Neil 7 and 8 on the Eckols, reported last issue as Eckols 7 and 8; O'Neil completed the wells.

SPINDLETOP.

COMPLETED.

Abercrombie, McAllester & Cleveland 3, Higgins; dry.
Guffey 87, Gladys farm, 900 ft; pumping 275 bbls.
Guffey 89, Gladys farm, 923 ft; pumping 30 bbls.
Bass & Tucker 17, McFaddin, 960 ft; pumping 15 bbls.
Completed 4, producers 3, dry 1; new production, 320 bbls.

DRILLING.

Guffey 86, Gladys farm; pulling tubing; will drill to 910 ft.
Arcola 1, block 33, Yellow Pine; still sanded; trying to clean.
Unity 24, Gladys City, block 33; casing set at 840 ft; resetting strainer.
Smith & Co. 6, Heywood lease; setting strainer.
Park, Lone Acre, 700 ft; in rock.
Bowles Bros., McFaddin; casing set at 840 ft; drilling in.
Thresher & Davis, block 19, Gladys City, 725 ft; in rock; went through 1 1-2 ft. of rock at 435 ft.
Guffey 90, Gladys farm, 475 ft; in sand formation.
Williams & Heilbron, old Beatty lease, 730 ft. in gumbo; ready to set strainer.
Drilling, 9.

RIGS.

Cassie 8, next Higgins boiler house.
Park et al, 1-4 mile east block 35, McFaddin; derrick blown down.
Smith & Co. 14, Heywood lease; new location.
Rigs, 3.

LOCATIONS.

Bowles Bros., block 20, Gladys City; for 12-inch hole.
Guffey 88 and 91, Gladys farm.
Locations, 3.

ABANDONED.

Abercrombie, McAllester & Cleveland 3, Higgins; dry.

NOTES.

Frank A. Morris, employed as driller for F. D. Smith & Co., fell into the slush pit at Smith & Co.'s No. 6 well on the morning of the 13th and received burns from which he died at 2 o'clock the next morning. He was pulled out of the pit immediately by his comrades, but the shock of the steaming mud and water was so great that his death resulted from this cause rather than actual burning. He resided in Beaumont and leaves a widow and family.

SOUR LAKE.

COMPLETED.

Texas 94, Texas; 500 bbls.
Texas 96, Texas; 40 bbls.
Texas 97, Texas; 60 bbls.
Francis 1, Rodgers; 25 bbls.
Gilbert 29, Gilbert; 40 bbls.
Completed 5, producing 5; new production 665 bbls.

DRILLING.

Texas 93, Texas.
Texas 98, Texas.
Texas 99, Texas.
Minor 19, Minor; standard rig.
Biggs & Johnson 4, Heywood; shut down.
Anderson, Sr., 5, Sour Lake Oil Co.; waiting on standard rig.
Anderson, Sr., 6, Sour Lake Oil Co.
Hankamer & Ayers 3, Heywood.
Gilbert 30, Gilbert.
Ruth 1, strip 8, Wirt Davis.
Terry 5, Wirt Davis.
Drilling, 11.

RIGS.

Minor 20, Higgins.

DERRICKS.

Texas 95, Texas; derrick.
Terry 1, strip 20, Wirt Davis; derrick.
Derricks, 2.

SARATOGA.

COMPLETED.

Rio Bravo 242, Rio Bravo, 1416 ft; 225 bbls, 17.9 gravity.
Peerless 2, Texas Crude, 675 ft; 75 bbls, 17.5 gravity.
Completed 2, producing 2; new production 300 bbls.

DRILLING.

Sun 34, Petty 5 acres, 740 ft; gumbo.
Sun 35, Ogden, 810 ft; gumbo.
McLemore & Co. 1, Carney, 100 ft; gumbo; 800 ft. northwest of Robinson old No. 2.
Rio Bravo 227, Rio Bravo; fishing for strainer.
Santa Fe 17, Santa Fe; fishing for 4-inch pipe; 1385 ft.

RIGS.

Saratoga 2, Hooks 4 acres.
Peggie Q& Co. 3, Kirby 2 1-2 acres; 75 ft. northwest of No. 2.
Britton 1, Block 6, Hopkins survey (old).
Rigs, 2 new, 1 old.

LOCATIONS.

Saratoga 3, 150 ft. south of No. 2.

NOTES.

The Cotton Oil Company has leased 3-4 of an acre from the Cole Oil Company, includ-

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ing its abandoned well No. 1 which it expects to perforate and try for the shallow stratum. It expects to develop the balance of the lease also.

Peerless No. 1 s failing rapidly in production.

BATSON.

COMPLETED.

Guffey 69, Wing, 40 bbls; pumping.
Guffey 40, Choate, 55 bbls; pumping.
W. C. Turnbow 4, Hooks and Dies; salt water.
Broomface, Middlebrooks, 25 bbls.
Paraffine 27, Paraffine 12 acres, 50 bbls.
Allison Bros. 4, Moonshine, 25 bbls.
C. A. Richardson 5, Hooks and Dies; salt water.
Reliance 11, Oriole, 20 bbls.
Sun 17, Paraffine, abandoned.
Higgins 16, Higgins, dry.
Higgins 17, Higgins, 20 bbls.
Completed 11, producers 7, dry 4; new production 235 bbls.

DRILLING.

Guffey 68, Wing.
Guffey 70, Wing.
Guffey 71, Wing.
Guffey 39, Choate.
Guffey 41, Choate.
Guffey 43, Choate.
Ada Belle, Moonshine 6 1-2 acres.
W. C. Turnbow, 30-acre tract.
Sun 18, Paraffine.
Guffey 58, Wing.
W. S. Browning 5, State land.
Drilling 11.

RIGS.

Guffey 42, Choate.
Guffey 44, Choate.
Reliance 2, Heywood.
Rigs 3.

ABANDONED.

W. C. Turnbow 4, Hooks and Dies; salt water.
C. A. Richardson 5, Hooks and Dies; salt water.
Sun 17, Paraffine.
Higgins 16, Higgins.
Abandoned 4.

DAYTON.

COMPLETED.

None.

DRILLING.

Heywood 1, Pickett-Henry; shut down.
Trammel 3, Neizart, 670 ft; shut down.
Wilson & Bullard 2, Bradford, 1290 ft.
Dayton 1, section 125; shut down.
American Sulphur and Oil 1, Pickett-Stevens; casing off with 10-inch at 600 ft.
Guffey 1, Smith (Barber's Hill); 345 ft; hard rock.
Andrews & Fox 1, section 125 (old Dayton Oil Co. 2); pumped on the 13th for one hour on head; got about 15 bbls; commenced filling with water.
Drilling, 7.

RIGS.

Sun 16, West Liberty 10 acres.

NOTES.

The rig of Granberry and others on Quintette 40 acres has been moved by Andrews & Fox to section 125, where they will put down another hole.

The Sun Company has taken over the Cy Bell No. 1 on the Paraffine.

Depth of Guffey 1, Smith, reported incorrectly in issue of August 5 as 364 ft., should have been 300 ft.

HENRIETTA.

COMPLETED.

Corsicana Pet. Co. 5, Reed Winfrey; 8 bbls, shallow 300 ft.
Corsicana Pet. Co. 6, Reed Winfrey; salt water, 760 ft.
Corsicana Pet. Co. 7, Reed Winfrey; 10 bbls, 400 ft.
Corsicana Pet. Co. 1, Hunt-Fee; 8 bbls, 400 ft.
Root 4, Fee; 8 bbls, 400 ft.
Completed 5, producers 4, dry 1; new production 34 bbls.

DRILLING.

Corsicana Pet. Co. 2, Hunt-Fee, 700 ft.
Corsicana Pet. Co. 3, Hunt-Fee, 400 ft.
Corsicana Pet. Co. 4, Hunt-Fee, 400 ft.
Corsicana Pet. Co. 1, Smyers, 700 ft.
Corsicana Pet. Co. 1, Joise, southwest of field 2 1-2 miles, 100 ft.
Clayco 2, Lochridge, 1100 ft.
Clayco 1, Runge; standing.
Sun 1, Landrum, 750 ft.
Producers 1, Byers Bros., 800 ft.
Petrolia 1, Winfrey; standing, tools in the hole.
Pioneer 1, Fee; setting 6-inch at 1050 ft; going deeper.
Root 5, Fee; to 400 ft. sand.
Drilling, 12.

ABANDONED.

Corsicana Pet. Co. 6, Reed Winfrey; salt water, 760 ft.

NOTES.

L. J. Black, superintendent of the Higgins Oil and Fuel Company, came up on the 10th and left the night of the 11th for the Territory. He was inspecting the drilling of the Lochridge 2 of the Clayco Company.

M. M. Doane, field superintendent of the Sun Company, came up to look at Sun 1, on the Landrum, and left with Mr. Black for the Territory.

The Wichita Valley railroad work train distributed wire and poles between Petrolia and Wichita Falls on August 11. The Western Union will put a line in at once. It will be a great help to oil men.

JENNINGS.

COMPLETED.

Producers 12, 600 bbls.
Producers 13, 3000 bbls.
Completed 2, producers 2; new production 3600 bbls.

DRILLING.

Producers 11, 14 and 15, Latreille lease.
Mattison, Caffery's 3 acres of Latreille 40 acres.
Heifleigh 3, Caffery's 3 acres of Latreille 40 acres.
Crowley Oil and Mineral 29, Crowley farm.
Duson & Lyons 1, lot 4, King tract.
Getty 1, Clement lease; drilling deeper.
Drilling, 8.

RIGS.

Producers 16 and 17, Latreille lease.
Crowley Oil and Mineral 32, Crowley lease.
Guffey Co. and Lovegrove, lot 7, King tract.
Rigs 4.

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ABANDONED.

Crowley Oil and Mineral 4, Crowley farm.

PRODUCTION.

Producers Oil Co	5,600
Jennings Oil Co	80
J. M. Guffey Pet. Co	1,000
Benckenstein & Frere	50
Evangeline Oil Co	500
Heywood Bros. Oil Corporation	40
Chicago-Jennings Oil Co	100
Duson & Lyons	30
Zigler & Co	1,000
Crowley Oil and Mineral Co	1,400
Orion Oil Co	350
Shippers Oil Co	700
Heywood Oil Co	1,100
Jennings-Heywood Oil Syndicate	2,500
Total	14,450

CADDO.

COMPLETED.

McGuire 10, school land, 825 ft; 20,000,000 cu. ft. gas.

DRILLING.

Townsite 1, Richardson, 2010 ft; shut down.

Producers 2, Heilperin & Liebman, 2154 ft; suspended temporarily.

Caddo Gas and Oil 3, Smith, 1600 ft; twisted off at 800 ft. from bottom; old hole abandoned and rig being moved to start new hole.

Dixie 1, Dickson; operations suspended.

Dixie 2, Glassell.

Richardson & Hughes 1, Pitts, 760 ft; in hard rock.

Daniel & Alday 1, Wadkins, 480 ft; rock. Drilling, 7.

NOTES.

Texla 1, pulling tubing.

Heilperin & Liebman 1, trying to kill gas with a view to going back in hole and cleaning out.

Caddo Gas and Oil 2, 4-inch reset; an attempt was made to drive casing in this well and it blew out; now awaiting arrival of packer.

Producers 1, Black Bayou Lumber Co., will probably be started drilling shortly.

ANSE LA BUTTE.

The Lake Oil Company has completed a 50-barrel well on the Martin tract at Anse la Butte. It is located about 150 feet north of Heywood Bros. Oil Corporation No. 1. On August 12 Scott Heywood made a location for Heywood Corporation No. 12 on the Pourciaux tract, south of the swamp and near the Corporation No. 11. The new Lake well is 1810 feet deep.

WILDCAT NOTES.

Coward & Dimling's second well at Matagorda came in a water and mud gusher. They will start their third test immediately.

A test will be drilled near Neches, nine miles northeast of Palestine, in Anderson county.

The Brown Oil Company is down between 600 and 700 feet in its first well on the Stewart place at Ottine, Gonzales county, Texas. The 8 1-4-inch casing was set at 600 feet.

EASTERN PIPE LINE STATISTICS.

The runs from wells and the regular shipments of the principal pipe lines in New York, Pennsylvania, Ohio, Indiana, West Virginia, Kentucky and Tennessee are reported for July as follows:

Line.	Barrels Runs.	Barrels Shipments.
National Transit	409,484	1,406,342
Southwest Penn.	208,769	67,168
Eureka	760,653	76,376
Buckeye (Macksburg)	262,319	4,803
Buckeye (Lima)	462,462	423,705
Indiana	390,475	508,392
Cumberland	62,047	26,897
Southern	.....	628,620
Crescent	.....	158,615
N. Y. Transit	24,797	1,523,782
Tidewater	139,689	201,780
Prod. and Ref.	226,169	228,247
U. S. Pipe Line	4,544	.....
Totals	2,951,408	5,254,727

The shipments and reshipments of oil from line to line during the month are reported in "Other Receipts," amounting to 14,040,384 barrels, and "Other Deliveries," amounting to 11,118,328 barrels. From these figures the total receipts from all sources appear to have been 16,991,792 barrels and the total deliveries, both regular and otherwise, 16,373,055 barrels, or 618,737 barrels in excess of the receipts for the month. The present gross stocks of the lines are given as 13,486,184 barrels.

It is reported from Bowser, in San Saba county, that a vein of coal was found at a depth of 110 feet, and that oil is oozing from the ground near the same place.

PREPARING TO DRILL AT VINTON.

Dr. A. C. Wilkins and others of Jennings are preparing to drill a test well on the Caffal farm, adjoining the Vincent place, at Vinton, La., a few miles east of the Texas line. W. B. Sharp and Ed Prather drilled on the Vincent land five years ago, and T. C. Stribling sank several test wells on it three years ago. A thick formation of heavy pebbles baffled the efforts of the drillers to get the wells to a depth that would determine the presence or absence of oil. Many thousands of dollars were spent on these test wells. The owner of the Vincent farm has sunk a dozen or more shallow wells, 18 to 20 feet deep, on the property, and sells the product, which is a fine grade of lubricating oil, to the neighboring farmers. These wells are operated with a hand pump and are "cased" with wood.

NEW COMPANY AT JENNINGS.

The Mattison Oil Company has been chartered in Louisiana, with $10,000 capital stock, to drill for oil in the Jennings field. The company's first well is now going down on the northern side of the Latreille 40 acres. M. W. Mattison is president, Clint O. Heywood vice president. J. H. Heinen secretary, and N. S. Whisenhunt treasurer. The company's lease in the Jennings field is in proven territory.

The Gulf Coast Navigation Company of Beaumont has been chartered with $15,000 capital to operate a line of tugs and barges between Beaumont, Port Arthur, Sabine and Galveston. The company takes over some of the small barges and tugs of the Higgins Oil and Fuel Company, and will transport oil and lumber. The incorporators are C. L. Wallis, L. L. Donnelly and L. B. Pipkin.

Farmers State Bank of Morris, I. T.
The Oil Man's Bank
Leases and Fee Land for Sale
L. R. KERSHAW, President J. L. DABBS, Vice President W. J. ANICKER, Cashier

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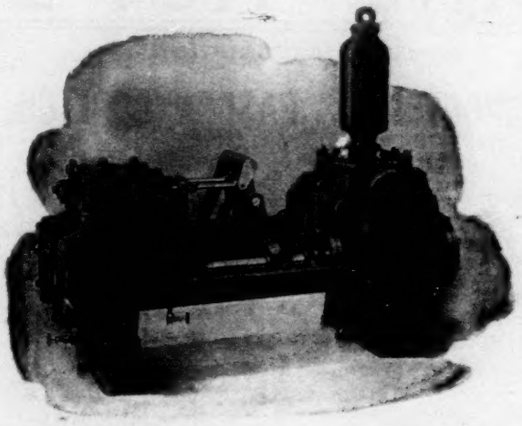

It has heavy cast iron liners, easily removable; suction valves are in separate chambers, easily accessible; removal of the fluid end cap exposes all discharge valves; air chamber removable; fluid end pistons have expansion rings; levers are fitted with roller bearings; the renewal of the rollers saves the constant supplying of the levers and cross heads; no valve bolts in this pump to break; companion flanges with all flanged openings, and a full set of wrenches with each Pump; all parts absolutely interchangeable.

A Full Stock with an Assortment of Spare Parts in our Store Rooms.

F. W. HEITMANN CO.

HOUSTON, TEXAS.

Write and mention OIL INVESTORS' JOURNAL

ABBOTT DEAL WAS NOT MADE.

TULSA, I. T., AUGUST 19.—(Special Telegram.)—The deal for the Hammett & Gillespie lease in section 7, Glenn field, in which J. M. Abbott and other Texans were mentioned as purchasers, is off. The price asked was $165,000. J. R. R.

IN THE PIEDRAS PINTAS FIELD.

J. S. MacNamara, manager of the United Oil and Refining Company, has returned to Beaumont from a trip to the Piedras Pintas field in Duval county. Mr. MacNamara is of the opinion that Piedras Pintas will develop into a field of shallow wells, from which paying production will be obtained. He reports that the Lawson & Cleary well is making enough oil to supply fuel for the five drilling rigs in the field, as follows: Border Oil Company No. 3 on a 20-acre lease purchased from Jess Fry of San Antonio in the proven field; Ada No. 1, drilling in a rock and sulphur formation at 400 feet; Jourdan Campbell Oil Company No. 1, in hard rock at 250 feet; Border No. 1, in rock at 400 feet; Norway Oil Company No. 1, fishing for tools at 405 feet. Jim Hamil is drilling the Norway well and is reasonably sure of completing it a producer in the shallow sand—at about 435 feet. President Milam and General Manager Galbreath of the Tehuantepec railway of Mexico, which uses fuel oil on its locomotives, spent several days in and near the field early this month, and it is reported that they purchased some land from Smith & Wren, and will begin drilling soon.

CRUDE OIL DONATED TO BROWNSVILLE.

The Texas Company last week donated a car of Southeast Texas crude to the city of Brownsville, Texas, to be used for disinfecting purposes. An epidemic of dengue fever is now raging at Brownsville, and the crude oil is desired for sprinkling in the ditches to kill the insects and for purposes of general sanitation. On August 16 a telegram was received by The Texas Company at Beaumont from Mayor F. J. Combs of Brownsville conveying the thanks of the people of Brownsville for the donation.

DALEY OIL COMPANY'S SECOND DIVIDEND.

At a meeting of the directors of the Daley Oil Company at Saratoga it was decided to pay a second dividend of 25 per cent on the capital stock ($10,000), and checks for this amount were mailed to stockholders the following day. The company will abandon its No. 3 well at Saratoga, pull the casing and start well No. 4 on its lease. The dividend just paid makes a total of 50 per cent ($5000) paid by this company since its organization last November.

The Sun Company has sold 150,000 barrels of heavy crude to the Tehuantepec National railroad for delivery at Puerto Mexico, Mex. The oil is to be used for fuel on the Tehuantepec railroad. Two cargoes have already been shipped from Sabine, one of 21,120 barrels, by the steamer Toledo on August 9, and one of 18,501 barrels by the steamer Paraguay on August 13.

WANTED.

Sober, reliable wood tank builder. Apply to H. M. Peck, Brazos Hotel, Houston, Texas.

WANTED.

Capital by party having fully equipped 376-acre lease near refinery paying 70 cents for oil; 17 wells, 4 giving off gas to run lease. Own heat and light franchise town of 1000 people. One-fourth interest to swing our plans. Inquire for full particulars of

ROGERS BROTHERS,
Wamego, Kan.

INDIAN TERRITORY OIL LEASES.

If you have any lease matters or other business before the Interior Department requiring attention, write to William W. Wright, registered attorney (formerly with the Dawes Commission.) References. Offices, Washington Loan and Trust Building, Washington, D. C.

FOR SALE.

Sectional maps of the Indian Territory, showing oil and gas developments to date. Each map 18 by 24 miles. Address

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WANTED.

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PARAFFINE OIL COMPANY MEETING.

The Paraffine Oil Company held its annual meeting at its offices in Beaumont on August 12, re-electing the old board of directors with the exception of Fred W. Freeman, who was succeeded by Ernest Carroll of Beaumont. Officers were re-elected as follows: S. W. Pipkin, president; W. L. Douglass, vice president, and E. C. Wiess, secretary and treasurer. A dividend of 200 per cent on the capital stock of $10,000 was declared. The Paraffine Company operates principally at Batson and is a notably successful concern.

T. H. BASS SELLS SPINDLETOP LEASE.

T. H. Bass is disposing of his Gulf Coast oil interests and hereafter will operate principally in Indian Territory. While in Beaumont on August 5 he sold his lease of the McFaddin farm on the south side of Spindletop, comprising 80 acres, to E. B. Baldwin, C. J. Chaison, M. J. Bass, I. R. Bordages and W. B. Tucker. They organized the Big Five Oil Company with $15,000 to operate the property, on which there are seven wells, three of which are producers with a daily output of about 100 barrels. Mr. Bass subleased the McFaddin farm from the J. M. Guffey Petroleum Company.

MESSRS. DOWLING AND CUSHING IN BEAUMONT.

Joseph L. Dowling, superintendent of the Oklahoma division of The Texas Company's pipe line, and W. T. Cushing, general superintendent of the Texas division, spent three days in and around Beaumont during the early part of the month. Mr. Dowling visited the company's refineries at Port Neches and Port Arthur, and also took in some of the oil fields. Mr. Cushing is superintending the laying of The Texas Company's main 8-inch line south from Dallas. Mr. Dowling has headquarters at Tulsa and Mr. Cushing at Dallas.

The Texas Company has completed a loop of 6-inch pipe on its line between Garrison and Nederland, a distance of eight miles. Garrison is east of and opposite Spindletop. Nederland is about half way between Garrison and Port Arthur. The loop was made necessary by the bringing of Indian Territory crude in tank cars to Garrison, whence it is pumped to Nederland and Port Arthur.

SHIPMENTS OF OIL FROM PORT ARTHUR

DATE	RIG	NAME OF VESSEL	LOADED BY	CONSIGNEE	DESTINATION	GRADE	CRD. BBLS.	R'F'D BBLS
Aug.								
4	Ss.	Northman	The Texas Co.	The Texas Co.	Del. Riv. Sta.	Bunker	1,759	
5	"	Florida	"	"	"	Crude	11,219	
5		"	"	"	"	Bunker	1,361	
5	Barge	Spindletop	Gulf Ref'g Co.	For Orders	Galveston	Crude	3,899	
6	Ss.	Northman	The Texas Co.	The Texas Co.	Del. Riv. Sta.	Refined		22,896
7	Barge	Spindletop	"	"	Galveston	Crude	4,356	
7	"	Harry Morse		"	Del. Riv. Sta.	Refined		9,772
7	Ss.	Larimer	Gulf Ref'g Co.	Gulf Ref'g Co.	Gibsons Point	Crude	20,340	
7	"	"	"	"	"	Hd. Asph		1,200
7	"	"	"	"	"	Refined		12,314
7	Barge	Shenango	"	"	"	Crude	270	
7	"	"	"	"	"	Refined		27,936
8	"	Gusher	The Texas Co.	The Texas Co.	Galveston	Crude	4,289	
8	"	Clarke No. 1	"	"	"	"	2,865	
9	Ss.	Winifred	Gulf Ref'g Co.	Gulf Ref'g Co.	Gibsons Point	Refined		10,382
9	"	"	"	"	"	Crude	10,944	
9	"	"	"	"	"	Asphalt		499
9	Barge	Mingo	"	"	"	Refined		4,096
10	"	Clarke No. 2	"	For Orders	Galveston	Crude	4,373	
12	Ss.	Ligonier	"	Gulf Ref'g Co.	Bayonne, N. J.	"	19,012	
12	"	"	"	"	"	Refined		12,816
12	Sch'ner	W. L. Douglas	"	"	"	"		39,490
12	Barge	Allegheny	"	"	Gretna, La.	"		4,383
13	"	Conneaut	"	"	Port Tampa	Crude	16,706	
13	"	"	"	"	"	Refined		63
13	"	Spindletop	"	For Orders	Galveston	Crude	4,182	
13	Ss.	Chancellor	"	Gulf Ref'g Co.	Liverpool, Eng.	Asphalt		300
15	"	Washtenaw	"	"	Bayonne, N. J.	Refined		25,269
15	"	"	"	"	"	Crude	2,196	
15	"	San Antonio	The Texas Co.	The Texas Co.	Del. Riv. Sta.	Refined		9,410
15	"	San Cristobal	"	"	Antwerp, Belg.	"		18,264
							107,771	199,089
Miscellaneous dock deliveries by the Gulf Refining Co. to tugs and barges, Crude							2,918	
Miscellaneous dock deliveries by The Texas Company to tugs and barges, Crude							1,967	
							112,656	199,089

SHIPMENTS OF OIL FROM SABINE*

DATE	RIG	NAME OF VESSEL	LOADED BY	CONSIGNEE	DESTINATION	GRADE	CRD. BBLS.	R'F'D BBLS.
Aug.								
9	Ss.	Toledo	Sun P. L. Co.	Teh. Nat. R. R.	Puerto Mex.	Crude	21,120	
11	"	Roma	"	Sun Co.	Marcus Hook	"	28,588	
11	Barge	Gusher	H. O. & F. Co.	Guyton & Co.	Galveston	"	4,028	
13	Ss.	Paraguay	Sun P. L. Co.	The. Nat. R. R.	Puerto Mex.	"	18,501	
13	"	Genessee	Security Oil Co.	Standard O. Co.	New York	Refined		28,484
15	"	Suwanee	"	"	"	"		20,098
15	"	"	"	"	"	"		6,736
							72,247	55,318
Miscellaneous dock deliveries by the Higgins O. & F. Co. to tugs and barges							367	
							72,614	55,318

*This table also includes shipments from Sabine Pass, Texas.

"DEVELOPMENT PROPOSITION."

Hope, Ark., August 15, 1907.

Will show you oil and liquid asphaltum 210 to 240 feet in wells right on railroad and close to good towns near Hope. This, with strong sulphur water, are my indications.

I will give you free 1500 acres leases of late date on tenth royalty to sink one and, if necessary, two test wells, and you sink them on your own leases and own them yourself, except tenth royalty. My object is to test the territory, no drilling having been done here except shallow wells for water, as above.

The 1500 acres of leases are worth more than $10,000 in most unproven territory. Come and investigate at once. Will not kill time for you, but will show you quickly; nor do I want you to come unless you mean business, though I will expect you to turn the proposition down if not suited.

Address A. P. DYKE,
Hope, Ark.

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MORE GLENN CRUDE BURNED AT GLADYS.

During a severe electrical storm which visited Beaumont and vicinity on the night of August 13 lightning struck a 55,000-barrel tank of the J. M. Guffey Petroleum Company at Gladys, southwest of Spindletop, causing the loss of about 5000 barrels of Glenn (I. T.) crude and considerably damaging the tank. There was about five feet of oil in the tank. About two feet of this was pumped out and saved. When the fire had burned itself out there remained a couple of feet of oil and water. The tank, known as No. 44, was not damaged below the second ring. The loss will be covered by $10,000 to $15,000. The oil in the tank was brought from Kiefer, I. T., in tank cars. A peculiar feature of the fire was the fact that although there was less than three feet of oil in the tank it boiled over within three hours from the time it started to burn, causing an illumination that for an instant made things look as bright as day in Beaumont, three miles distant. Indian Territory crude seems to attract Southeast Texas lightning. A ground tank of the Security Oil Company, south of Gladys, containing 65,000 barrels of Glenn crude, was struck by lightning on July 8, resulting in the loss of the greater part of the oil.

The storm of August 13 was accompanied by a heavy wind which blew down a number of derricks at Spindletop and Batson. Of those blown down at Spindletop the Guffey Company reports four on the following wells: Gladys 53, McFaddin 29, Gladys 84 and Gladys 91. Gladys 53 was pumping 30 barrels, and Gladys 91 was a new location. Gladys 84 and McFaddin 29 had been abandoned. Derricks over two wells which had been abandoned by Wilson & Adsit were blown down. The derrick over the W. G. Park well on the Lone Acre tract was blown down for the second time in two weeks. Guy wires were on the ground to brace the new derrick and they were to have been strung the next day.

"TO BE DEPENDED UPON."

2917 Benvenue Ave.,
Berkeley, Cal., July 25, 1907.

Oil Investors' Journal,
Beaumont, Texas:

I take great pleasure in reading each issue of your paper and know from experience that it is to be depended upon both for fullness and quality of news.

Yours truly,
J. L. CHADDOCK.

Oil Investors' Journal
Sixth Year.

HOLLAND S. REAVIS, Editor.
BURTON E. NEWCOMB, Business Manager.

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Tulsa, I. T., Office, John R. Reavis, Representative: Room 9, Turner Building opposite Robinson Hotel. Address Postoffice Box 127.

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Beaumont, Texas.—E. Szafir & Sons; Beaumont Cigar Store, 475 Pearl Street; D. J. Hicks' Book Store, 594 Pearl Street.

Houston, Texas.—Brazos Hotel News Stand. Bottler Bros., 410 Main Street; Heaton & Polk, Capitol Pharmacy, opposite Rice Hotel.

Galveston, Texas.—Chas. Daferner, 2111 Market Street; E. E. Block, Twenty-third and Postoffice Streets.

Humble, Texas.—Heaton & Polk.

Sour Lake, Texas.—Hooks Drug Store.

San Antonio, Texas.—Louis Book & Cigar Company, 521 East Houston Street.

Saratoga, Texas.—J. P. Collins.

Henrietta, Texas.—Postoffice News Stand.

New Orleans.—O. E. Hill, 108 St. Charles Street.

Shreveport, La.—Robbins & Browne, Phoenix Hotel.

Tulsa, I. T.—Robinson Hotel News Stand; Hannon's Book Store; City Book Store.

Muskogee, I. T.—Turner Hotel News Stand. Katy Hotel News Stand.

Kiefer, I. T.—M. O. Stephenson.

Okmulgee, I. T.—Postoffice Book Store.

Independence, Kan.—Carl Leon News Stand.

Chicago, Ill.—Postoffice News Company, 176 Dearborn Street.

THE FOLLY OF UNJUST TAX LAWS.

Discouraging and burdensome tax laws are having their effect on Texas oil operators. Instead of seeking to develop new production within the borders of this state, many prefer to go to other fields where they are not restricted by freak statutes that hamper and hinder them in their efforts. Indian Territory and Louisiana are drawing the Texas operators, and this state is losing them and the business they create. The Heywood Oil Company has transferred almost its entire force from Beaumont to the Glenn field in Indian Territory. T. H. Bass has sold his Texas interests and is operating exclusively in the Glenn and Morris fields. D. R. Beatty has entered the Morris field. The Higgins Oil and Fuel Company has bought property in the same field, and has diverted most of its cars to the transportation of Glenn crude to Sabine. J. E. Crosbie is devoting all his energies to the development of his Glenn pool leases. In eight months he has made over $100,000 and he has a good chance to clean up fully $300,000. The Texas Company and the interests represented in the Gulf Pipe Line Company, both Beaumont concerns, are investing millions of dollars to get a supply of Indian Territory crude oil for their refineries and their trade. The Security Oil Company has not bought a barrel of Texas crude this year and is getting its supply by tank car from the Glenn field. Meanwhile the production of the Texas fields is declining steadily. The state discourages the oil industry by imposing unjust and unreasonable taxes upon it. It is but natural that operators should make their new investments in Indian Territory, where they are not hampered by special taxes, and by the apparently hostile attitude of the state government. The feeling of the operators on the matter of tax legislation directed at the oil industry is well expressed in a letter written on August 4 by George H. Johnson, an officer of the Britton Oil Company of Beaumont, to the state comptroller. It follows:

"Inclosed you will find Austin exchange for $280.46 and $209.18 in payment of production tax for the Britton Oil Company for quarters ending March 31, 1907, and June 30, 1907. On account of excessive and unjust taxes in this state new development has ceased entirely with this company as with many other companies and individuals in the oil business. Consequently the production of oil is decreasing and will probably continue to decrease unless something is done to encourage instead of discourage the oil business. For the good of the state I hope our lawmakers will take a tumble and see where they are at before long."

Mr. Johnson was not bluffing. He is now in Indian Territory, looking over the Glenn and Morris fields with a view to obtaining leases. So long as conditions are more favorable outside of Texas the money that would otherwise be invested in this state will go elsewhere.

A WELL THAT HAS MADE $42,000 IN TWO WEEKS.

The Jennings (La.) field has been remarkable in many respects, not the least of which is the vitality and productiveness of its wells. The first gusher was drilled in at Jennings in May, 1902, by the Southern Oil Company on a sub-lease of the Clemont farm, obtained from the Jennings-Heywood Oil Syndicate. Its capacity was not accurately determined at the start, but it was put down for a 5000 to 10,000 barrel well. Gushing wells were brought in from time to time, but it was not until the summer of 1904 that the deep sand to the southeast was developed, resulting in the completion of a number of 15,000 and 20,000 barrel gushers. One of these, the Wilkins No. 2, has produced over 2,500,000 barrels of oil and is still producing.

Last month the proven area was again extended by the bringing in of the Producers No. 10 on the Houssiere-Latreille 160 acres, a quarter of a mile southeast of the older development. On August 4 the richness of this new territory was fully revealed by the completion of a flowing well, 100 feet south of the Producers No. 10. This latest well is known as Producers No. 13—not an unlucky number in this instance—and it has been credited with an output of 3000 barrels a day since August 5. These new wells open up a territory larger in extent than that which supplied the gusher production of 80,000 barrels a day three years. This does not necessarily mean that the production of 1904 will be duplicated, but it does mean that the Jennings field is much larger than any one figured it, and it also assures a steady production from this important Louisiana district for years to come. For a long time Jennings has led all other Gulf Coast fields in quantity of output, and it has fully demonstrated its right to be known as the mainstay of Gulf Coast production.

While the Producers No. 13 is not as large as some of the wells developed in 1904, it probably has yielded its owners more revenue in two weeks than any well in the history of the field, and, perhaps, in the history of the Gulf Coast region. Oil is worth a dollar a barrel. This means an income averaging $3000 a day for two weeks, or a total of $42,000. When the Wilkins No. 2 was producing 15,000 barrels a day oil was selling for 15 cents a barrel. When Spindletop was in its prime it boasted gushers of enormous capacity, but there was no market for the oil. The Producers No. 13 at Jennings, if it continues to flow at anything like the pace it has set, will prove a veritable gold mine for the owners. It is today the most profitable oil well in the United States, if not in the world.

IT WAS AN AUTOMOBILE, NOT A CAMERA.

From Tulsa correspondence in the Oil City Derrick of August 16:

SCIENTIFIC NOTE.

Professor Holly Reavis, chief of technique for the Beaumont Oil Investors' Journal, has placed an order for a camera, with a perspective sufficiently wide to discover what will happen to Standard Oil. While the eclipse is at present only partial, the professor will spare no effort to be prepared for a total, which will be graphically pictured for readers of the periodical.

The foregoing is a horrible example of how the Derrick scout gets his dope twisted when he wanders away from his own reservation in Indian Territory. It was not a camera, but an automobile that we ordered. Furthermore it was a gasoline automobile, and every gasoline automobile in operation helps the Standard's business. Give us credit for our good intentions.

HEYWOOD COMPANY PROVES UP ANOTHER GLENN LEASE.

Captain W. C. Tyrrell of the Heywood Oil Company received information on August 18 to the effect that the No. 1 of the Inland Oil Company on the Charles Augustus Hengst 40 acres, in the southwest quarter of section 6, Glenn field, had been drilled 36 feet into the sand and was showing for 500 barrels. The Inland Oil Company is operating the land for the Heywood Oil Company, which also owns the second 40 acres northwest of the piece now being drilled.

COMPANIES TO ISSUE BONDS.

A first mortgage given by the Gulf Pipe Line Company of Beaumont to the Union Trust Company of Pittsburg, Pa., for $3,500,000, was recorded at the office of the register of deeds at South McAlester, I. T., on August 15. The mortgage covers all the property of the Gulf Pipe Line Company.

The Louisiana Gas Company, which has a franchise to pipe Shreveport, La., Marshall, Texas, and Bossier City, La., across Red river from Shreveport, will issue $100,000 of first mortgage bonds. The company has filed an instrument at Marshall, Texas, preparatory to issuing the bonds. It is building a pipe line from the Caddo gas field to Shreveport.

F. W. HEITMANN CO.
HOUSTON, TEXAS
OIL WELL SUPPLIES
Line Pipe, Tubing, Casing, Special Rotary Drill Pipe, Fittings, Valves, Packing, Tools, Roofing and Building Material
EXCLUSIVE AGENTS
AJAX ENGINES, BRENNAN BOILERS, GARDNER PUMPS
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Write and mention OIL INVESTORS' JOURNAL.

MIDSUMMER SOCIETY NOTES.

By the Tank Strapper.

Guy Carroll has joined the wheeling club of which Paul Gage, Norman Hendershotte and Ambrose Donoghue are active members. Guy is the proud proprietor of a ten-pound boy. He has not decided whether to get a red, green or white perambulator.

Paul Gage holds the amateur record among the younger Beaumont papas. The Gage twins ride in a double-barreled perambulator, and Paul can push it as fast as any of the one-kid buggies.

Randall Silverman has organized the Spots Club of Beaumont, and is taking his friends in regularly. The object of the club is to study spots. During the meetings if a member gets five spots of the same form and color he gets the money. It is said to be a very fascinating line of study.

Commodore C. L. Wallis will sail for Europe next month. Very few oil men can afford such a vacation, but it happens that the commodore had "his" before he went into the oil business; hence the trip.

A sensational report emanated from Batson last week to the effect that Jack Ennis had joined the W. C. T. U. It was later denied by Jack, who stated that it probably had its origin in the fact that he was detected in the act of taking a large drink of water.

W. B. Sharp has been invited to speak at a banquet in Matamoros, Mexico, but is not sure that he will accept. The last time that he made a speech at a Matamoros banquet, the master of ceremonies, or referee, or whatever you choose to call him, presented a bill for the music furnished by the local orchestra during the evening. Walter paid for the music and ordered another round of Monterey beer. He found out afterward that whenever the Mexicans are particularly pleased with the effort of an orator they show their appreciation by permitting him to pay for the music. Walter was honored in this way to the extent of $12.70, Mexican.

The Texas Company has a fat gauger in one of the fields who was the subject of a genuine summer complaint the other day. A producer came in to get a check for his oil and kicked on the percentage deducted for water. These percentages are determined by means of a small tube which the gauger uses. Tom Donoghue sought to quiet the complaint by stating that the cut was made in accordance with the result of the test. "Yes, I know that," said the producer, "but you folks have got a big fat gauger out there, and he sweats so much that it runs into the tube and I get charged for it." Donoghue had a reply ready for him: "Well, if that's the case," said he, "I guess we'll have to get a gauger who doesn't sweat."

"MR. J. WIGGS, DRILLER."

Discovered!

Disguised as an oil well driller, and headed for Roumania!

Thus is the secret of the recent quiet departure of J. A. Wiggs, Jr., revealed by an item in the Houston Chronicle.

Listen:

> Drillers are being enlisted and machinery purchased in Houston as part of the program for the substitution of the rotary for the drop tool method of boring for oil in the Roumanian fields. Mr. O. E. Warner and Mr. J. Wiggs are said to have been engaged for the work and will travel to Europe in charge of the apparatus. It is probable that others will be employed for the work contemplated by Robinson Bros., well known among the oil men of this state.

Any embryonic Sherlock Holmes would know at once that "Mr. J. Wiggs" and J. A. Wiggs, Jr., were one and the same. Whoever framed up this clumsy disguise is lacking in the fine points of the game. He should read a few of the "Old Cap Collier" and the "Old Sleuth" series and take a course in false whiskers.

And now that the departure of the Dynamic Wiggs has been tipped off by our Houston contemporary, we may as well add that the reporter got the wrong dope. Wiggs goes not to operate rotaries, but to sell rotaries. He goes to spread the fame of the Parker, and to show the European operators the merits of the real thing in drilling machinery. Furthermore, he goes from Beaumont, not from Houston, for it is in Beaumont that Wiggs has his habitat and it is in Beaumont that he makes the Parker. He will attend the International Petroleum Congress at Bucharest in September, and if the delegates don't know all about rotary drilling when Wiggs gets through with them it won't be his fault. He will do his best.

J. S. Cullinan, president and general manager of The Texas Company, arrived in Beaumont on August 13 and left for Houston and Dallas on August 15.

THE INTERNATIONAL PETROLEUM CONGRESS AT BUCHAREST.

WASHINGTON, AUGUST 15.—(Special.)—Discussions that will prove of much importance to the oil interests of the world will take place at the Third International Petroleum Congress which will meet early in September at Bucharest, in Roumania.

An idea that will be strongly urged by one school of oil experts and scientists at the Roumanian meeting is that the supply of oil in the interior of the earth is not a limited amount, formed ages ago, but that a new supply is constantly forming, through chemical processes that are continually going on. The theory is not a new one, as it was brought out seven years ago at the first meeting of the International Petroleum Congress. But since that time it has acquired much support and there has been much investigation the results of which will be offered in evidence.

One of the principal subjects of discussion and one of the great features of the meeting at Bucharest will be the origin, geology and migration of oils. It is in this connection that the supporters of the idea that oil is being constantly formed by chemical reactions within the earth will be heard. Dr. David T. Day, in charge of oil statistics and oil investigations for the United States Geological Survey, will be at the meeting and is one of those who have done much to establish the idea that the oil supply of the earth is not a fixed quantity, formed thousands of years ago, and likely to give out within a comparatively short time. Dr. Day has not been a direct exploiter of this theory, but he has been a pioneer in demonstrating the remarkable power of oil to migrate or to creep through strata and make its appearance far from the place of its origin. Dr. Day has shown conclusively that the ability of oil to migrate is wonderful and that such is its power to pass through shales and various formations that oils that reach the surface at points hundreds of miles apart may yet be of similar origin. His studies as to the character of oils, their migration and geology have been of much service to the believers in the theory that new supplies of oil are continually being formed. Dr. Day is about to enter on a much more extensive inquiry into the character of oils which will be of much value in the study of the origin of oils.

In addition to the discussion over the

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question of the origin of oils, a most important feature of the Roumanian meeting will be a movement for the appointment of a committee on the standardizing of methods in the investigation of crude oils. Dr. Day is much interested in the movement for standardization of methods, the object being to make these methods the same the world over, so that an investigation of oils in one part of the world will be intelligible in some other part of the world. It is quite likely such a committee will be named and Dr. Day will be put upon it. The committee will have two years to investigate, as the next meeting will be two years hence. It will be in this country, probably in Washington.

Nowadays, by reason of the lack of a standard for methods of investigation, it is difficult to get information that can be depended on respecting many oil fields.

The Roumanian meeting will be a large one. Delegations from all the countries of the world that are interested in oil or have oil fields will be present. This country will be well represented. Among other things, the delegates will be given excellent opportunities to see for themselves the leading oil fields of Roumania. J. S.

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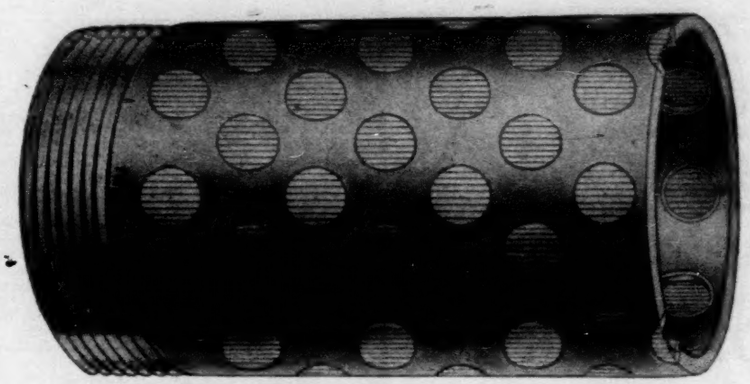

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ANOTHER SECTION OF COMMISSIONER SMITH'S REPORT.

Commissioner of Corporations Herbert Knox Smith on August 12 released for publication the third section of his report on the petroleum industry, covering alleged price discriminations by the Standard Oil Company. In his letter, transmitting the report to President Roosevelt, the commissioner summarizes the result of his investigations as follows:

In the business of selling petroleum products in foreign countries the price policy of the Standard Oil Company has apparently been to sacrifice the interests of the American consumer for the purpose of securing the Standard's foreign business, which is a very important one. In 1904 over 55 per cent of the illuminating oil produced in this country was exported, of which the Standard exported about 87 per cent.

The relative movement of oil prices, as distinguished from their absolute level has shown for the last eight years a startling disparity between the United States and foreign markets, particularly from 1902 to 1905. The American price steadily advanced from 1897 to 1903. The New York export price advanced much less up to 1903, declining in 1904, and the Hamburg (German) price shows practically the same movement as the New York export price, while the London price shows a steady decline from 1901 to 1904, and a very important drop during 1905. The course of American and foreign prices in the last five years covered by this report has shown a greatly increased divergence, in general the American prices going up and the foreign prices showing a marked decline.

Still more remarkable is the comparison of the absolute level of prices (as distinguished from their movement) of the United States and foreign markets. The statistics obtained for these computations were secured by a representative of the bureau, who visited the more important European oil consuming countries and secured accurate and representative data.

It should be noted in comparing absolute prices of American with foreign markets that a difference of about 1 cent per gallon must be allowed for on account of the difference in the quality of oil sold in the two markets, water white oil being the basis of the American prices and standard white the basis of foreign prices. Water white oil is worth about 1 cent more than standard white. Therefore 1 cent per gallon should be deducted from the differences between American prices and foreign prices. The following summary statement shows the averages of the monthly prices for the periods specified after deducting transport costs and duties:

Average United States price (June, 1903, to August, 1905) 10.3
Average German price (June, 1903, to August, 1905) 7.3
Excess of United States price (less 1 cent) 2.0
Average United States price (January, 1903, to August, 1905) 10.5
Average English price (January, 1903, to August, 1905) 7.3
Excess of United States price (less 1 cent) 2.2
Average United States price (October, 1903, to August, 1905) 10.4
Average Danish price (October, 1903, to August, 1905) 7.2
Excess of United States price (less 1 cent) 2.2
Average United States price (September, 1905) 9.0
Average Belgian price (September, 1905) 6.1
Excess of United States price (less 1 cent) 1.9
Average United States price (September, 1905) 9.0
Average price in the Netherlands (September, 1905) 7.0
Excess of United States price (less 1 cent) 1.0

Similarity for the leading Oriental markets:

Average net price in United States (January, 1903, to May, 1905) 8.6
Average net price in Orient (January, 1903, to May, 1905) 4.8
Excess of United States price (less 1 cent) 2.8

Again, it is to be remarked that the really significant figures are the margins of the re-

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spective prices above costs. The deduction of the principal elements of cost throws into proper prominence these great differences in prices. From the prices may, therefore, be deducted, first, the price of crude oil (using Pennsylvania crude as a basis), and, second, the operating expenses of piping, refining and marketing the oil, which amount to about 2 cents per gallon. With these deductions, for the respective periods above mentioned, the average German margin was 1.66 cents, as compared with 4.63 in the United States; the United Kingdom margin was 1.64 cents, as against 4.84 in the United States; and the other countries mentioned—Belgium, Holland, Denmark and the Orient—show similar enormous disparities. Even after further subtracting 1 cent from the American margins to allow for difference in quality, they are still from one and one-half to three times as high as the foreign margins.

These remarkable discriminations in favor of foreign markets at the expense of the American consumer have naturally called forth excuses from the apologists of the Standard. They have attempted to create the impression that the recent decline in prices of American illuminating oil abroad was necessitated by an oversupply of that product. They have also claimed that there has been severe competition against the American product from the oils of Russia and other foreign countries, and that the reductions in export and foreign prices were necessary to retain the American export trade.

Neither of these arguments is well founded. There was no oversupply of illuminating oil during the years 1904 and 1905, at which time foreign prices were being severely cut. The exports from the United States during 1904 were less than in 1901 and 1902. The exports from the five important oil producing countries combined show little more than a normal increase. The world's production in 1905 was less than in 1904. The exports from the five principal countries combined in 1905 were more than 6 per cent less than in 1904. There was an actual decline in the total imports into the United Kingdom during 1904 as compared with the two preceding years, and a still more conspicuous decline during 1905. Notwithstanding this, the prices in England fell enormously. The imports into Germany during 1904 were almost exactly the same as during 1903, and the imports during 1905 fell off considerably. But the German prices declined very materially in both years.

The conditions of supply, therefore, do not excuse the extraordinary decline in foreign prices in 1905 and the resulting discrimination against the American consumer. This decline was not necessitated by any oversupply of oil. In fact, the movement of prices was precisely the opposite of that which would have been expected from the changes in supply.

The falsity of the Standard's arguments is further demonstrated by the fact that during 1904 and 1905, a period when the Standard claims that an oversupply existed, that company actually took large quantities of oil in Russia to supply its trade in Europe and the Orient. During 1904 it shipped from Russia over a million and a half barrels of illuminating oil for distribution in European and Asiatic countries. It has secured large crude production in Roumania and has established refineries there and in other countries for refining foreign crudes. It is perfectly evident that the Standard has not always been concerned with maintaining the export trade in American illuminating oil, but has been solely interested in maintaining its own domination in the markets of the world, frequently at the expense of the United States.

It is true that during 1904 and 1905 the Standard met new competition in foreign markets, but its new competitors were largely a group of concerns which drew a considerable part of their supply from the United States itself.

Having a monopoly at home, it has charged such prices as it could thereby extort, and the American consumer has had to pay these prices. Meeting competition abroad, it has given the foreign consumer enormously lower prices, and it has used the profits made at home to maintain its position abroad, so that the American consumer has been severely discriminated against for the purpose of maintaining, not the dominance of American export trade, but the dominance of a particular combination which has used its power frequently and conspicuously to the disadvantage of the American public.

A still more important and extraordinary state of affairs in the conditions of prices in the United States. An investigation brought to light, as shown in this report, a very remarkable system of discrimination in prices for the same products in different localities through-

out this country. It is evident that the Standard charges a price which is proportionate to the extent of its monopoly in a given place, and reduces prices in proportion to the degree of competition which it may meet.

It is to be emphasized that there is substantially no general market price for petroleum products, especially illuminating oil. The Standard sells most of its illuminating oil and gasoline in the United States directly to retail dealers at their own towns, delivered mainly by tank wagons. Consequently the prices are, as a rule, purely local prices. This system of distribution and price making puts it in the power of the Standard to vary its price according to local conditions without disturbing prices in other localities.

The significance of the extraordinary differences in prices charged in many different sections of the country, or in different towns, can be appreciated only in the light of the fact that a very small amount per gallon constitutes a fair margin of profit on the investment in refining and marketing of petroleum products. A difference of about 7 mills per gallon in the price of illuminating oil may mean a difference between a profit of 10 per cent on the investment in refining and marketing and no profit at all. But the actual differences in the Standard's prices among competitive and non-competitive towns and areas, after making all allowances for differences in cost of production and distribution, often amount to several cents per gallon. A combination which can command the the profits that these figures imply, over large areas, has therefore obviously a tremendous weapon when it centers on aggressive price cutting against independent concerns.

The most accurate and complete data were obtained by the bureau on this subject directly from the records of the Waters-Pierce Oil Company (a Standard concern). The territory of that company includes Arkansas, Oklahoma, Indian Territory, Texas and part of Missouri and Louisiana, separated in these records into seven divisions by the company. In 1900 the profits varied from 0.9 in the St. Louis division to 4 cents per gallon in the North Texas division. The first six months of 1904 the profits were as follows: St. Louis division 0.6 cent per gallon; East Texas and Louisiana, 1.8 cents; Missouri, 1.8 cents; Arkansas, 2.8 cents; South Texas, 3.3 cents; Central Texas, 3.5 cents; North Texas, 4.4 cents, showing an extreme range of profits and, of course, a correspondingly extreme range of net prices. Similar inequalities in local prices appear in the gasoline business of this company.

The data from other sources, mainly from prices reported in December, 1904, by over 5000 retail dealers throughout the country, show even more startling discriminations in prices, wholly unexplainable on any other theory than that of the differences in competitive conditions and the use of a monopoly power. These discriminations are shown in several ways. Taking the average prices for the several states in December, 1904, the lowest price appears in Delaware, 7.7 cents per gallon, freight deducted, and the highest in Colorado, 16.2 cents per gallon, freight deducted, or more than twice as high. Part of the difference in this case is due to higher cost of refining and marketing of the Colorado oil. The difference in cost can not exceed 3 1-2 cents per gallon, which explains less than one-half the total difference of 8 1-2 cents difference in the price. In several other Rocky Mountain and Pacific Coast states the average price of illuminating oil, less freight, for December, 1904, was over 15 cents, as compared with 7.7 in Delaware, freight deducted.

There is some difficulty in comparing average state prices, even after deducting freight rates, arising from the uncertainty as to the relative cost of manufacturing the oil sold in different states. This difficulty, however, may be avoided by comparing only those states which are supplied from a single refinery or from a group of refineries using the same crude oil and having a substantial similarity of conditions.

Thus the range of state averages in the states on or near the Atlantic seaboard is very wide. In December, 1904, the average price in Delaware, less freight, as already stated, was 7.7 cents per gallon. In Pennsylvania it was 8.7 cents, in New York state 10 cents, in North Carolina and New Hampshire 10.3 cents, part of South Carolina 11.4 cents, Florida 12.8 cents, and part of Georgia supplied from the same source 13 cents, all with freight deducted. The figure for Georgia is 5.3 cents higher than that for Delaware.

In the area supplied from Lima, Cleveland and Whiting, three refineries operating under similar conditions, the prices, freight deducted, range from 8.5 cents for Ohio to 13.7 cents for a part of Arkansas.

One of the most striking instances is in California, where the Standard carries oil from its great refinery near San Francisco, several hundred miles by water and rail, and sells it in Southern California for several cents less than is charged for the same oil in San Francisco. The average price, freight deducted, for Southern California in December, 1904, was 7.2 cents, and the average for the northern part of the state was 12.4 cents. Oregon, supplied from the same source, paid the price of 15.3 cents, freight deducted, and the State of Washington 15.7 cents.

That these differences in prices are not due to differences in cost of marketing arising from the density of population, is shown by taking the prices for large cities in different parts of the country. In the North Atlantic division, prices, freight deducted, ranged in 1904 from 7.5 cents at Worcester, Mass., to 11.3 cents in Jersey City, N. J. (at the very door of the great Bayonne refinery of the Standard); in the South Atlantic division, the range is from 7.8 cents at Richmond, Va., to 12.5 cents at Jacksonville, Fla.; North Central division, from 6.4 cents in Cincinnati, Ohio, to 10.4 cents at St. Joseph, Mo.; South Central division, from 7 cents in New Orleans, La., to 14.5 cents in Little Rock, Ark.; Western division, 6.7 cents at Los Angeles, Cal., to 16.6 cents at Butte, Mont., all with freight deducted. Very little of the difference in price among cities in any one of the divisions is due to differences in cost of refining.

In fact, even as between cities or states most widely separated, only a small fraction of the difference in price, after deducting freight, can be explained by differences in cost either of marketing or of refining. The rest is due to a consistent and wholly unjustifiable policy of price discrimination against non-competitive localities.

Even in towns in the same state or same vicinity these wide discrepancies occur. In the East Texas and Louisiana division of the Waters-Pierce Oil Company in August, 1903, the profit between delivered cost and selling price on Brilliant oil in tank wagon and bulk ranged from 1.92 to 5.59 cents, and in August, 1904, it ranged from 0.69 cent to 5.05 cents. In the South Texas division of that company, on the same kind of oil, delivered in iron barrels, nine towns had profit margins above 6 cents in April, 1904, and similarly striking disparities occur within other individual divisions.

Another interesting comparison is that showing the lowest and highest prices within given states. In Arkansas the difference between the lowest and highest prices in December, 1904, freight deducted, was 7.6 cents; Colorado, 9.1; Idaho, 5.2; Louisiana, 8.5; Missouri, 7.4; Montana, 4.9; Mew Mexico, 13.2; Ilinois, 4; Kentucky, 4.3; Minnesota, 4.8; Ohio, 4.8; Tennessee, 4.2 cents.

The evidence is absolutely conclusive that it is the policy of the Standard Oil Company to take full advantage of all non-competitive conditions to impose the highest prices possible and to extend such non-competitive conditions by aggressive price cutting calculated to drive out rivals. The enormous profits secured over most of the country enable the Standard to carry out this plan very effectively in those localities where price cutting is demanded by this policy.

These discriminations in prices were largely made possible by the widespread system of discrimination in railroad rates, mainly secret, which was long enjoyed by the Standard Oil Company until recently exposed by this bureau in its report on the Transportation of Petroleum, published in May, 1906. The elaborate system of railroad discrimination, extending, as it did, over very large areas of the country, allowed the Standard to place its oils in any given section where it happened to encounter competition at a cost much below the cost to its competitors. It was shown in the bureau's report on this subject that in several instances the unfair advantage enjoyed by the Standard in freight rates was alone much more than a living profit on its oil business. The Standard was thus able virtually to suppress competition in such areas, and this at a minimum of loss, to itself. In this way it was able to transform competitive into non-competitive territory. Having done this, the company promptly raised its prices, not merely to a reasonable level, but far above it. Competitors, while theoretically able in view of these high prices, to re-enter such markets, were practically prevented from doing so, owing to the fact that the Standard, by reason of its advantage in rail rates, could and would at any time when necessary, again depress prices to a point where such competitors would again be forced to conduct their business at a loss. It is thus apparent that discrimination in railroad rates is intimately identified with discrimination in prices.

A special and important branch of the oil industry is in the selling of railroad lubricants. Certain very remarkable facts characterize this business. The trade with railroad companies of the United States in lubricating oils for rolling stock amounts to about $4,500,000 per year. The Standard Oil Company, through the Galena-Signal Oil Compa-

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ny which it controls, has an almost complete monopoly therein, certainly over 95 per cent of this business.

The system upon which the lubricating oils are sold to the railroads is somewhat unusual. Each contract contains certain "invoice prices" per gallon of oil, which are to be paid unless reduced by other provisions of the contract. These "invoice prices" are excessively high, and are the same in all contracts. But there is also in each contract a second factor, the "mileage guaranty." By this guaranty the oil company agrees that the cost of lubrication to a particular road shall not exceed a certain amount per thousand miles run by locomotives, passenger cars and freight cars. These guaranties, unlike the invoice prices, differ widely for the different roads. By means of such mileage guaranties, the net prices of lubricants to a given road may be placed at the excessive invoice prices, or at any desired amount below them.

The oils used and the invoice prices per gallon are as follows: Valve oil, 48 cents; engine oil, 28 cents; coach oil, 33 cents; car oil, 18 cents. Reports were received from 94 railroad companies, which operate about 91.5 per cent of the locomotive and car mileage of the country, all under contract with the Galena-Signal Oil Company. By reason of the very low price it has paid over a period of ten years, as compared with other roads, the Pennsylvania system stands in a class by itself. Through the mileage guaranties, widely different prices have been made to railroad companies for the same oils, as is shown by the following statement of average prices paid for valve oil: The Pennsylvania system paid 23.5 cents per gallon, eight roads averaged 27.7 cents, twelve roads 35.7 cents, fifteen roads 41 cents, seventeen roads 45.9 cents and forty-one roads 48 cents. The prices paid for the other oils were exactly in the same proportion as those cited for valve oil. The importance of the fifty-eight roads in the two classes last mentioned is shown by the fact that in one year they paid $2,600,000 at prices which averaged double those paid by the Pennsylvania.

The Galena-Signal Oil Company has continued under successive agreements which it has had ample opportunity to terminate, to sell these lubricating oils to the Pennsylvania during the past ten years at prices which were about one-half the invoice prices, and some few other roads have had equally favorable contracts. Moreover, the calculations made by the Pennsylvania as to the cost at which it could compound its own lubricants from oils bought in the open market, as well as statements made by independent oil companies, show that the prices paid by the Pennsylvania can be used as a standard of reasonable price by which to judge the excessive prices paid by nearly all other railroads in the country.

Absolutely no satisfactory explanation has been given for the excessive prices paid by nearly all railroads. They must be attributed solely to the fact that the Standard, which controls the Galena, is powerful enough, either by reason of its enormous shipments of petroleum products or by its influence in financial circles, to induce most of the railroads of the country to pay excessive prices for their lubricants.

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